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NATIONAL INCOME STATISTICS

OF VARIOUS COUNTRIES

1938-1948

STATISTICAL OFFICE OF THE UNITED NATIONS
LAKE SUCCESS, NEW YORK
1950

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PREFACE

This report, like its predecessor which was completed in 1948,[1] has its origin in a resolution adopted by the Economic and Social Council of the United Nations on 29 March 1947 in accordance with a recommendation of the Statistical Commission, requesting the Secretary-General to pursue, as expeditiously as possible, work on statistics of national income and expenditure in order to provide comparable international data in this field.[2] At its fourth session, the Statistical Commission reiterated its request that the Secretariat should publish regularly, and with minimum delay, the latest figures available of national income statistics for as many countries as possible.[3]

The statistics included in this volume cover thirty-two countries and refer to national income studies which were published after completion of the first issue. Material published in the earlier volume has not been included again. For information regarding countries for which no new data have become available, the reader may therefore be referred to the first issue.

The introductory chapters summarize certain conceptual problems arising in defining national income with particular emphasis on recent developments. The investigation into the international comparability of available national income estimates has been brought up to date. The Statistical Office has also continued and refined its attempts to adjust the estimates in accordance with a proposed standard definition.

The chapter presenting a survey of available national income statistics now includes also the social accounts for all countries that have adopted this technique.

A new chapter has been added on the various sub-classifications of national income presented in a way to facilitate international comparisons. The synoptic tables in appendix I have been extended to include series of national income figures over a longer period than was covered by the corresponding tables in the previous volume.

The present report includes data received by February 1950.

Statistical Office of the United Nations,
Department of Economic Affairs,
Lake Success, New York
March 1950.

[1] *National Income Statistics of Various Countries, 1938-1947*, Lake Success, New York, 1948.
[2] Economic and Social Council resolution 40 (IV) of 29 March 1947.
[3] E/1312.

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General Notes

For national income statistics for the following countries, reference is made to the first issue of *National Income Statistics of Various Countries, 1938-1947*:

Argentina
British Guiana
British West Indies:
  Barbados
  Grenada
  St. Vincent
Bulgaria
China
Dominican Republic
Ireland
Luxembourg
Mexico
Northern Rhodesia
Nyasaland
Palestine
Panama
Philippines

The following symbols have been used throughout the report: two dots (..) indicate that data are not available; a dash (—) indicates that the amount is nil or negligible; a full stop (.) is used to indicate decimals; a comma (,) is used to distinguish thousands and millions; in the main text, a slash (/) indicates an agricultural or a fiscal year, e.g., 1946/47.

CHAPTER I

Introduction

In the last few years the number of countries for which official estimates of national income are published has been increasing rapidly. The usefulness of national income statistics for purposes of economic analysis is generally recognized, and the role played by statistics of national income and related totals in the preparation and formulation of economic policies is becoming more and more important. National income and certain sub-totals provide comprehensive measures of the aggregate output of a nation's economy, and detailed classifications by industrial origin, by types of factor incomes, or by categories of expenditure provide essential information for the analysis of current economic trends, inflationary and deflationary tendencies, the effects of a foreign aid programme, and, in general, of the factors that determine the level of employment and economic activity. Recently these statistics have been found useful for studies of the problems of the economically under-developed countries. In addition to the totals, estimates of income originating in various branches of industry and of capital formation are of particular importance for these areas. International organizations again stressed the need for further development of national income statistics.[1]

For many purposes it is essential that information on the size and composition of the national income be published in the form of up-to-date statistical series. Not all countries are as yet able to meet this requirement. The following survey may be useful in this respect.

For the following countries estimates of national income are published annually within twelve months after the end of the calendar or fiscal year to which they refer:

Australia
Belgium
Canada
Czechoslovakia
Denmark
Finland
France
Greece
Hungary
Japan
Mexico
Netherlands
New Zealand
Norway
Philippines
Southern Rhodesia
Sweden
Switzerland
Union of South Africa
United Kingdom
United States

In the United States, estimates of national income and gross national product are published quarterly. In the United Kingdom, quarterly estimates of consumers' expenditure on goods and services are published and in the Netherlands, monthly indices of consumers' expenditure are compiled. For the following group of countries estimates of national income are available for several years, but the latest information is often more than a year old, and sometimes the estimates do not present a continuous series:

Argentina
Bulgaria
Ceylon
Chile
China
Dominican Republic
Germany
Iceland

[1] *Cf.*, for example, *National and International Measures for Full Employment*, United Nations, Lake Success, N. Y., December 1949, pp. 86-87.

India
Indonesia
Ireland
Italy
Jamaica
Luxembourg
Peru
Poland
Puerto Rico
Spain
Turkey
Union of Soviet Socialist Republics

For the following countries, estimates of national income have been prepared for a single year, sometimes combined with an estimate for an earlier period, for example, a pre-war year:

Austria
Belgian Congo
Bolivia
British Guiana
British West Indies[1]
Colombia
Cuba
Egypt
Jamaica
Northern Rhodesia
Nyasaland
Panama
Paraguay
Surinam (Dutch Guiana)
Uruguay
Venezuela
Yugoslavia

Owing mainly to limitations of the basic economic and financial statistics used in preparing the estimates, the sub-classifications of national income published are not the same for all countries. The available information may be summarized as follows:

A. National income by industrial origin:

Argentina
British Guiana
British West Indies
Bulgaria
Canada
Ceylon
Chile
China
Denmark
Dominican Republic
Finland
France
Greece
Hungary
Indonesia
Ireland
Italy
Japan
Luxembourg
Mexico
Netherlands
Northern Rhodesia
Norway
Nyasaland
Peru
Philippines
Poland
Puerto Rico
Turkey
Union of South Africa
United States

B. National income by distributive shares:

Australia
Belgium
Canada
Chile
Czechoslovakia
Finland
France
Ireland
Japan
Luxembourg
Netherlands
New Zealand
Northern Rhodesia
Norway
Nyasaland
Panama
Peru
Puerto Rico
Southern Rhodesia
Surinam
Sweden
Switzerland
United Kingdom
United States

[1] Barbados, Grenada, St. Vincent.

C. National income by types of final expenditure:

Australia
Bulgaria
Canada
Chile
China
Czechoslovakia
Denmark
Finland
France
Indonesia
Ireland
Japan
Netherlands
New Zealand
Northern Rhodesia
Norway
Nyasaland
Peru
Puerto Rico
Southern Rhodesia
Surinam
Sweden
Turkey
United Kingdom
United States

Most countries have adopted national income at factor cost, and gross national product or expenditure at market prices as the basic concepts, but other concepts such as net national product at market prices and net geographical product at factor cost are also often used, as shown in the following survey of the aggregates used in the countries covered by chapter III of this volume.

NATIONAL INCOME CONCEPTS USED IN THIRTY-TWO COUNTRIES

	Net geographical product at factor cost	*National income at factor cost*	*Net national product at market prices*	*Gross national product at market prices*
Australia	x	x	–	x[1]
Belgium	–	x	–	–
Canada	–	x	–	x
Ceylon	–	x	–	x[2]
Chile	x	–	–	x
Czechoslovakia	–	x	x	–
Denmark	x[3]	x	x	x
Finland	x	x	x	x
France	x	x	x	x
Germany	–	–	x[4]	x
Greece	–	x	–	–
Hungary	–	x	x	–
India	x	–	–	–
Indonesia	x	x	x	x
Italy	–	x	x	–
Jamaica	–	x	–	–
Japan	–	x	–	x
Netherlands	x	x	x	–
New Zealand	–	x	x	x
Norway	x[5]	x	x	x
Paraguay	–	x	–	–
Peru	–	x	x	x
Poland	–	–	x[6]	–
Puerto Rico	–	x	–	x
Southern Rhodesia	–	x	x	–
Surinam	x	x	x	x
Sweden	–	x	–	x[7]
Switzerland	–	x	x	–
Turkey	–	x	x	x
Union of South Africa	–	x	–	–
United Kingdom	–	x	x	x[8]
United States	–	x	x	x

x indicates that the concept is used; – indicates that the concept is not used.

[1] The concept used is gross geographical product at market prices.

[2] The concept shown is gross taxable national income, which includes income from abroad and also income payable abroad.

[3] The concept used is net geographical product of the private sector only.

[4] *Cf.* chapter III for details of the concepts used in Germany.

[5] At market prices.

[6] The concept used refers to material output only and excludes income of service industries and general government administration.

[7] Gross national product at factor cost is the basic concept used.

[8] In the United Kingdom this total is designated as gross national expenditure and shown at market prices and at factor cost.

As will be clear from the following chapters, the area of agreement among the national income statistics of various countries is steadily becoming larger. The adjustments required to bring the totals into formal agreement with the standard definition proposed by the Statistical Office of the United Nations represent, in most cases, only a small percentage of the national income totals as published, although the effects upon certain components of the national income may be considerable. With respect to the classifications used and the definitions of the components, the available national statistics are still far from comparable, but these problems have now been investigated by the Statistical Office and provisional proposals aiming at an improved comparability of the breakdown of national income by components are discussed in chapter II and will be published in greater detail in a separate report.

With respect to the terminology used there remain certain differences in practice among the countries. In the publications of the Statistical Office of the United Nations the concepts national income, net national product and net national expenditure, in accordance with a practice followed in many countries, are used to indicate the total income broken down by types of factor incomes, by industrial origin and by types of final expenditure. Net geographical product is used to indicate the aggregate income originating in a country, irrespective of whether the providers of the factors of production are residents or non-residents. Therefore, national income equals net geographical product plus net income from abroad. In some countries, the term "national income" is used to indicate total income including net income from abroad, whereas "net national product" is used to indicate what is more often designated as net geographical product. This practice has not been followed in this volume. In the interest of uniformity of presentation, the Statistical Office has, in the following chapters, modified the terminology of the original sources, where necessary, to bring it into agreement with the terminology suggested.

Estimates of national income, expressed in constant prices, have been prepared in fifteen countries. The methods used differ widely and in many cases they should be considered as tentative. The statistical information published is too limited yet to permit the application of adjustments for international comparability. For this reason the material has been brought together in a separate appendix, instead of incorporating it in chapters III and IV.

For the first time, this volume includes the social accounts for all countries for which this technique has been used:

Australia
Canada
Chile
Denmark
France
Indonesia
Netherlands
New Zealand
Norway
Surinam (Dutch Guiana)
Sweden
United Kingdom
United States

The advantages of a social accounting approach may be summarized as follows:[1]

(*a*) Even if no attempt is made to measure all the items in the working system of accounts, this approach permits the structure of transactions to be set out in a consistent way. Therefore, it provides a means of handling conceptual problems when passing from general theoretical definitions to their empirical equivalents. It also allows the logical relationships between the definitions of the national income totals and related aggregates to be seen clearly.

(*b*) Since it enables one to indicate, in a systematic way, the interrelation of various sets of transactions, including the equivalents to any aggregate, it makes possible the most efficient use of the statistical information available.

[1] *Cf. Measurement of National Income and the Construction of Social Accounts.* Report of the Sub-Committee on National Income Statistics of the League of Nations Committee of Statistical Experts. Appendix: *Definition and Measurement of the National Income and Related Totals,* by Richard Stone. Studies and Reports on Statistical Methods, No. 7, United Nations, Geneva, 1947.

If various sets of aggregates which are connected by logical relationships are measured or estimated directly, statistical discrepancies may arise. The necessary adjustments may be carried out in a general way starting from the accounting approach.

(*c*) A social accounting system offers a framework for a systematic collection of information on transactions. It makes it possible to review the statistical material available and to indicate where the gaps exist, and thus it may serve as a programme for research.[1]

(*d*) A system of social accounts can be drawn up in different ways depending on the particular theoretical system on which it is based. By means of an accounting approach, the practical implications of any theoretical system can readily be worked out in detail. A social accounting approach thus provides a means for developing classifications of transactions which satisfy both theoretical and practical criteria.

(*e*) The social accounts provide a means for describing the structure of an economy and the way in which its parts and various aggregates are related. Thus, the social accounts are very useful in connexion with the study of problems of economic policy in that they may help to show how some proposed course will affect different parts of the economic system. They are particularly useful in connexion with economic planning and forecasting, since any attempt to predict the magnitudes of economic variables must necessarily take into account the logical relationships among various aggregates. Obviously, single unrelated totals, such as the national income and other aggregates, cannot be very useful in this respect. Therefore, for the purposes of economic planning and forecasting, a "national budget" is very often presented in the form of a social accounting system.

The system of social accounts as presented in the report, *Measurement of National Income and the Construction of Social Accounts* by the League of Nations Sub-Committee on National Income Statistics is rather detailed with respect to the various accounts distinguished, and the large number of items entering into the accounts. However, available statistical information is usually not sufficient to enable countries to fill in all the figures. Instead of presenting a set of accounts with many blank spaces, the use of a simplified system of accounts with a smaller number of entries is usually preferred. The following survey indicates briefly the sectors and types of accounts actually used in the countries mentioned. It may be noted that in some cases the economic structure of the country concerned and the purpose for which the accounts have been set up made it necessary to distinguish more sectors and to expand the system of accounts and the number of entries accordingly.

The sectors usually distinguished are:

(*a*) Business enterprises, which nearly always include financial intermediaries and insurance. (In the League of Nations report the latter two are treated as separate sectors.) In the accounts for Indonesia the business enterprises operated by non-Indonesians (Europeans, Chinese, etc.), and enterprises operated by Indonesians have been treated as two separate sectors. Sweden also distinguishes two sectors: "Agriculture" and "Other Enterprises". In Australia, business enterprises include fire and general insurance companies, whereas banks, mutual life assurance companies and superannuation funds have been treated as a separate sector. In the Netherlands, business enterprises include banks but not life insurance companies, pension funds and social security funds, which have been treated as a separate sector. In Indonesia, both banks and pension funds, including life insurance companies, have been treated as separate sectors. In nearly all countries, government-owned enterprises have been included in the business sector.

In Denmark and Norway separate accounts for business enterprises have not been set up. Instead, the general account of national income and expenditure is shown.

(*b*) Final consumers, which often include charitable and non-profit organizations. In the

[1] At its third session, the Sub-Commission on Statistical Sampling examined the application of sampling methods for the measurement of national income and the construction of social accounts. It indicated the conditions under which sampling may be particularly useful in these fields and the purposes for which this technique may be used (*cf.* E/CN.3/83, 24 October 1949).

accounts for Indonesia a distinction is made between Indonesian and non-Indonesian consumers, which are treated as two separate sectors.

(*c*) The government sector, which usually includes the central government and local authorities. However, in the accounts for Sweden they have been treated as two separate sectors.

(*d*) The "rest of the world" account, which is usually shown separately. However, in New Zealand and Norway these accounts have been omitted from the system of tables published.

Very few countries have found it feasible to draw up the system of operating accounts, appropriation accounts, capital accounts and reserve accounts recommended in the League of Nations report.

For the business sector, only the operating account is shown in most countries, the appropriation account simply being left out. Canada shows a separate investment income appropriation account, and Sweden has introduced an auxiliary account for interest, dividends, etc. The official publication for the United Kingdom includes a separate corporate income appropriation account.

Instead of showing separate capital accounts for each sector, most countries present a combined capital account for the national economy as a whole. In the Netherlands, a separate capital account for the business sector is shown in addition to the combined capital account. In the United Kingdom capital accounts for the national government and local authorities have been published separately. They are not included in the social accounts as published in this volume.

The revenue accounts for final consumers and for the government are usually similar to the accounts recommended in the League of Nations report. In some countries attempts have been made to present also for the general government sector separate operating and appropriation accounts. For a discussion of this and other proposals to amend the social accounting system as recommended by the League of Nations Sub-Committee on National Income Statistics, reference is made to the literature.[1]

The accounts are somewhat easier to handle if organized in such a way that each debit (credit) item is followed by a reference number indicating the corresponding credit (debit) item. It has also been found useful to show how national income and expenditure are obtained by adding various items in the social accounts.

Several attempts have recently been made to develop methods indicating the degree of accuracy that may be attributed to various types of estimates. Two methods may be mentioned here.

In an official publication for Ireland the dependability of the constituents of different aggregates, such as the national income, consumers' expenditure and net national output, has been indicated roughly by classifying the items into four "reliability categories" as follows:[2]

A. Firm figures;
B. Good estimates;[3]
C. Rough estimates;
D. Conjectures.

Somewhat similar ideas have been advanced in a recent study on consumers' expenditure in the Netherlands where the individual items have been classified into four groups:[4]

(*a*) Margin of error 2-5 per cent;
(*b*) Margin of error 5-10 per cent;
(*c*) Margin of error 10-20 per cent;
(*d*) Margin of error more than 20 per cent.

A letter in a separate column of the table indicates in which group each series belongs.

---

[1] Proceedings of the First Conference of the International Association for Research in Income and Wealth, held at Cambridge, England, 27 August–3 September 1949.

[2] *National Income and Expenditure*, 1938-1944, Dublin, 1946, p. 23.

[3] Absolute margin of error less than 5 per cent and considerably less for year to year comparisons.

[4] "Consumers' Expenditures in the Netherlands", *Statistical and Econometric Studies*, Vol. 4, No. 3, Central Bureau of Statistics, The Hague, September 1949, pp. 99-143.

A different method has been used in Sweden.[1] Very rough estimates are singled out by question marks placed after the figures. Balancing items (or residuals) in the accounts are printed in italics. The symbols $\pm x$ and $\pm y$ shown after certain figures indicate that large margins of error are attached to the figures. The use of a plus or minus sign helps to indicate whether a probable over-estimation (or under-estimation) of an item will lead to an over or under-estimation of a related item.

Obviously, any attempt to evaluate the accuracy of an estimate may easily be influenced by the subjective judgment of the responsible statistician, because independent information permitting an appraisal of an estimate is often not available. Nevertheless, the methods indicated may be considered as valuable steps in the direction of developing some kind of "statistical ethics" in the field of statistical estimation.

All statistics in this volume have been taken from published sources, except for possible rearrangements of the data, and they are always shown in the original national currencies. No attempt has been made to convert the estimates into a common unit, for example on the basis of estimated purchasing power parities of the monetary units concerned. Although official exchange rates can seldom be used to convert national income figures into other currencies, particularly in the postwar years, it may be useful for certain purposes to have available tables with official and other exchange rates for the years covered by the statistics in chapter III. This information has been included in appendix III.

[1] See the section for Sweden in chapter III of this volume. In a recent publication it has also been suggested that estimates be classified according to probable margins of error; *cf. Konjunkturläget hösten 1949*, Meddelanden från Konjunkturinstitutet, Serie A:17, Stockholm 1950, p. 30.

CHAPTER II

Conceptual Problems

The purpose of this chapter is to summarize the definitions and the terminology employed in the following chapters, and to investigate the principal conceptual differences among the national income estimates of various countries.

National income is a measure of the aggregate net output of goods and services which become available for consumption or capital formation in a given period. To avoid double-counting, the aggregate output is taken *net,* i.e., the value of all goods and services purchased from other enterprises or obtained from abroad and used up in the process of production, and the cost of maintaining capital intact must be deducted. As the *production* of goods and services gives rise to *incomes* for all persons participating in economic activity, and these incomes are *expended* on goods and services produced, it is clear that at least three equivalent definitions of national income must exist.

Definitions

National income may be defined as follows:

(1) As *net national product,* i.e., as the aggregate of the net values added in all branches of economic activity during a specified period, together with the net income from abroad;

(2) As the *sum of distributive shares,* i.e., as the aggregate of income payments accruing to the factors of production in a specified period; these payments take the form of wages and salaries, profits, interest, rent, etc., and

(3) As *net national expenditure,* i.e., as the sum of expenditures on final consumption goods and services, plus domestic and foreign net investment.

The period covered by the definitions is nearly always taken as a year.

All three definitions lead to the same national income figure, provided that all constituent items are treated consistently in the three approaches. The definitions mentioned leave a number of details unspecified that will be considered later in the chapter. Conceptual differences among the national income estimates for various countries may be explained by differences in the treatment or definition of these items.

The income concepts in general use among the countries for which national income statistics have been published may be defined as follows.

National income at factor cost is the total of all income payments accruing to factors of production. It equals the aggregate net output of all goods and services valued net of indirect taxes but after the inclusion of subsidies. If the value of the output of goods and services is based on market prices, the national income is referred to as *national income at market prices.* Therefore, *national income at market prices,* or *net national product* (or *expenditure*) *at market prices* equals national income at factor cost plus indirect taxes or similar levies, minus subsidies.

Gross national product (or *expenditure*) *at market prices* designates the value of current output at market prices before deduction of depreciation charges and other allowances for capital consumption. National income, or net national product (or expenditure), on the other hand, denotes the value of that part of current output that can be used up without impairing the stock of capital.

Gross national product at factor cost equals gross national product at market prices minus indirect taxes plus subsidies.

Personal income before tax is used to designate the total of earned and transferred (unearned) incomes accruing to individuals and non-profit institutions. It includes not only actual income payments in cash, but also income in kind and imputed income. It may or may not include returns on investments of life insurance companies, pension funds, etc. Transferred incomes include gifts, contingency claims, unemployment assistance, poor relief, and often also pensions and social insurance benefits, family allowances, where these payments are not considered as part of the remuneration of labour.

Disposable income equals personal income less direct taxes. For purposes of demand analysis it may be useful to limit the total to incomes of individuals, setting aside income accruing to life insurance companies, etc., as return on their investments, incomes of non-profit organizations, certain types of imputed income, and also gifts between persons. It may also be desirable to set aside inventory valuation adjustments and other adjustments for capital gains and losses in the few cases where they have been made and included in personal income.

Private income before tax equals personal income before tax plus undistributed profits of companies before tax (excluding profits of government enterprises).

The *net geographical product* (or *domestic national income*) includes the return to factors of production situated physically in the territory of the economy under investigation, irrespective of whether these factors are provided by residents or by non-residents. It excludes returns to factors of production which, although provided by or belonging to residents, are physically situated elsewhere. Accordingly, the geographical product usually includes income payments to foreign labour temporarily employed in the territory, but excludes the net return on investments abroad and income received by residents temporarily employed abroad. It may be defined at market prices or at factor cost.[1]

Net taxable national product equals net geographical product plus income received from abroad. It also equals national income plus income payable abroad.

The territory of the economy under investigation is determined by the political boundaries of the country. Small areas, enjoying a special legal status, may sometimes be excluded from the national income estimates. Problems may arise with respect to the merchant marine. Ships are considered as part of the territory of the country of registration, but in the case of countries with overseas territories, they may, somewhat arbitrarily, be registered there or in the metropolitan country, and the registration may be shifted if the ships are transferred to other routes. In such cases, *ad hoc* decisions will have to be made by the statisticians concerned.

Where a country has dependencies, colonies, etc., the national income estimates as a rule apply to the metropolitan areas only. Estimates do exist for a number of Non-Self-Governing Territories, and they are usually presented separately.

National income and gross national product refer to the aggregate income accruing to a country's *residents*. Few countries specify the definition of resident used, but, in general, the income of a permanent resident temporarily abroad is to be included in the national income of the country of permanent residence. In the case of income from capital, the country of normal residence of the recipient is the determining factor.[2] The majority rule which has been used in the United States has now also been adopted in the estimates for Southern Rhodesia (*cf.* chapter III).[3]

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[1] The concept is sometimes called "domestic national income", which was the terminology used in the first issue of *National Income Statistics of Various Countries*. It has the advantage that the corresponding national expenditure account may be designated as "domestic national expenditure," whereas "geographical" could not be used in this case since part of the net geographical product may be spent outside the country, for example, as tourist expenditure.

[2] Of course, these rules do not apply if net geographical product is used as the basic concept.

[3] For an explanation of this rule, see *National Income Statistics of Various Countries, 1938-1947*, p. 6.

For the purposes of national income measurement, business enterprises and non-profit organizations are considered residents of the country in which they are incorporated or registered. Again, in the case of corporations operating in overseas territories, the location of the head office may have been designated as being in the metropolitan area or in the Non-Self-Governing Territory. This does not affect the national income since dividends and interest payable abroad are excluded irrespective of the location of the company's head offices. However, it may affect the treatment of undistributed profits, which may be excluded if the company is located abroad, but will probably be included if the company's head office is located in the territory concerned.

Central and local governments are of course resident institutions, but international organizations are not considered residents of the country of location, but rather as international areas. However, for the purpose of national income measurement, the personnel is usually included among the residents of the country where the organization is located.

Income of workers temporarily abroad or employed across the border is sometimes treated differently from the rule indicated above in that only that part of the earnings which is remitted or brought back to the home country is included in the national income.

Before proceeding to an inquiry into a number of items that are sometimes treated differently in the national income statistics of various countries, it may be useful to discuss briefly problems of definition and of classification of the components of national income.

The Components of National Income

Available classifications of national income by components depend very much on the scope and coverage of the basic statistics used in preparing the estimates. Consequently, classifications of national income by industrial origin, by distributive shares or by categories of final expenditure as published for various countries are often not comparable. This is due not only to different groupings of the transacting entities in the basic economic statistics, but also to differences in the treatment of the money flows in each group. The analysis of the statistical data shown in chapter V may illustrate this point. The proposals now being formulated by the Statistical Office of the United Nations to promote international comparability of the classifications of national income may be used as a framework for an investigation into these problems.

The Statistical Office is recommending the use of the International Standard Industrial Classification of all Economic Activities,[1] as approved by the Statistical Commission and adopted at the seventh session of the Economic and Social Council in resolution 149 A(VII), as a basis for a proposed standard classification of national income by industrial origin. For many purposes a standard classification reduced to a small number of groups may be preferred, and the following summary classification is therefore suggested.

Proposed summary classification of national income by industrial origin	*Corresponding "divisions" and "groups" of the International Standard Industrial Classification of the United Nations*
1. Agriculture, forestry, hunting and fishing	Division 0
2. Mining and quarrying, manufacturing industry, electricity, gas, water and sanitary services	Divisions 1, 2, 3, 5
3. Building and construction	Division 4
4. Transportation and communication	Division 7; groups 711-717, 719, 730
5. Commerce	Division 6; groups 611, 612
6. Banking, insurance and real estate	Division 6; groups 620, 630, 640
7. Government services	Division 8; group 810
8. Miscellaneous services	Divisions 7 and 8; groups 718, 720, 821-829, 831-849
9. Net income from abroad	—

The income originating in each group is defined as the aggregate net value added, or the total of all income payments accruing to the factors of production co-operating in each separate branch

[1] *Statistical Papers*, Series M, No. 4, Lake Success, New York, 31 October 1949.

of economic activity. Thus, according to this rule, income originating in agriculture equals total payments for the use of labour, land and capital in agriculture, plus profits of farmers. This total may differ from the aggregate income received by the agricultural population. For example, income originating in agriculture will include rents on lands owned by real estate companies or urban landowners and it will also include interest paid on debts. On the other hand, income of the agricultural population would exclude rents paid to non-agricultural landowners and interest on debts paid to non-agriculturists, but it might include income from non-agricultural activities, returns on investments in non-agricultural enterprises or in government bonds and transfer payments. Thus, the earned income of the agricultural population differs conceptually from total income originating in agriculture. The proposed classification of national income by industries is based on the concept of income originating in each branch of economic activity, *not* of income by certain population groups. A breakdown of national income by agricultural and non-agricultural population or by other population groups may be useful for certain purposes, and has been used, for example in countries with different ethnological groups (*cf.* chapter III), but the problems involved will not be discussed in this chapter.

What has been said about the definition of income originating in agriculture applies with certain modifications to the definition of income originating in any other branch.

Of various other broad problems only the following will be mentioned here.

An important group of problems stems from the fact that business enterprises whose main activity falls in a certain group may carry out certain other related activities, which actually would have to be classified under a different heading. For example, coal mines may operate chemical industries, a shipping company may have its own personnel for loading and unloading instead of hiring the services of stevedoring firms, a department store may operate its own trucks instead of purchasing the services of a transportation firm, etc. It would be impracticable, if not impossible, to make an attempt to separate the net value added of the services of the trucks owned by a department store from the income originating in trading in a narrower sense, and to classify that income under transportation.

Similar problems result from the fact that often large industrial enterprises, mining companies, railroads, etc., and sometimes also smaller firms, carry out on their own account the construction and maintenance of buildings, etc., without making use of the services of the building industry. Here again it may prove difficult to try to separate the net value added corresponding to those activities and to group them together with income originating in the building industry.

Services rendered by banks and other financial intermediaries give rise to problems, certain aspects of which have been discussed in detail in the report, *Measurement of National Income and the Construction of Social Accounts,* by the Sub-Committee on National Income Statistics of the League of Nations Committee of Statistical Experts.[1] The main statistical problem arising here is one of imputation. Part of the services of banks is rendered without direct payments by the recipients of those services. The costs involved are met by the banks from the gross profit margin between interest and dividends received and interest payments to depositors. In the League of Nations report this gross difference is imputed to the banks' depositors as imputed interest, set off by an imputed charge for the free services rendered. Profits earned by the banks are obtained by subtracting from the total of actual and imputed charges to customers the sum of wages and salaries paid out, material expenses including depreciation of the banks' physical assets (buildings and office equipment), business insurance premiums, miscellaneous business expenses and indirect taxes. For the purposes of national income analysis, income originating in banking may be found as the total of wages and salaries paid out by banks plus profits as defined.

The banks' depositors consist of business enterprises and of persons. The imputed charges to business enterprises for services rendered free appear as business costs, and therefore lead to a lower figure for net value added for the enterprises concerned than would have been obtained

[1] Appendix: *Definition and Measurement of the National Income and Related Totals,* by Richard Stone, p. 40.

if no imputation had been made. This decline, however, does not diminish national income, since the income originating in banking is higher by the amount of imputed charges.

The imputed charges to persons appear as an element of consumers' expenditure in the national expenditure account and are balanced by an equal amount of imputed interest in the personal income account. The net result of this process of imputation is therefore to raise the total national income by the amount of interest income imputed to persons.

Income originating in real estate consists of income originating in real estate companies and net rentals on houses, including owner-occupied dwellings and farm dwellings, and on industrial premises if paid to persons. All rents are taken net, i.e., after deduction of allowances for depreciation, maintenance and repairs, fees and miscellaneous costs, real estate and other taxes which are deducted before arriving at the house-owner's income.

Income originating in the government sector equals all wages and salaries, including payments in kind and contributions to pension funds and social insurance of civilian and military personnel. Interest on unproductive public debts is excluded, but an item for imputed interest on government real assets, such as public buildings, roads, bridges, etc., may be included. The item refers to government general services and public education, as government enterprises are classified with the industries where they belong.

The total of all incomes by industrial origin (items 1-8) shows the net geographical product. Therefore, to obtain the national income, net dividends and interest, including interest on government loans to foreign countries, and other income from abroad such as branch profits and income of residents temporarily employed abroad, less similar income payable abroad, must be added as a separate item. Income of residents temporarily employed abroad may also be treated as a separate item and included in the industry where it belongs.

There is also a need for a larger degree of comparability among the components of national income by distributive shares. The following classification, which comes close to the practice followed in a number of countries, has been proposed by the Statistical Office of the United Nations.

The classification shows the various types of income accruing to the final providers of the factors of production, including undistributed profits of corporations. Corporate profits are measured net of profits and interest received from other corporations. It is not necessary, as is done in the following classification, to show net income from abroad as a separate item. Instead, its components may be allocated among items 1-6.

Proposed summary classification of national income by distributive shares

1. (*a*) Wages and salaries [1]
   - Private
   - Government civilian
   - Military

   (*b*) Other labour income [2]
2. Income of unincorporated enterprises [3]
3. Corporate profits before taxes [3] [4]
4. Profits of public enterprises [5]
5. Interest [6]
6. Net rents on lands and houses [7]
7. Net interest and dividends and other income from abroad [8]
8. NATIONAL INCOME AT FACTOR COST

[1] Wages and salaries paid including employees' contributions to social insurance and pension funds, income in kind, commissions, tips, bonuses, etc.

[2] Employers' contributions to social insurance and pension funds, pensions and compensation paid if no social security and pension funds exist, miscellaneous small payments, etc.

[3] Excludes capital gains and losses.

[4] Profits of domestic and foreign corporations operating within the country.

[5] After deduction of depreciation and interest paid to the government.

[6] Monetary and imputed interest, excluding all interest on public debts, but including interest accruing to the government and possibly imputed interest on government assets outside enterprises.

[7] Including net rents of owner-occupied houses; excluding interest on mortgages which is included in item 5.

[8] Other income from abroad includes income of residents temporarily abroad, pensions, rents, branch profits, etc., less similar items payable abroad.

The sum of items 1-6 includes all factor incomes paid out by business enterprises and public authorities located within the country. Therefore, this total equals the net geographical product at factor cost. The total of items 1-7 equals national income at factor cost. Item 7 includes interest on debts owed by foreign governments minus interest on public debts, whether productive or unproductive, payable abroad. Item 7 also includes undistributed profits of corporations operating abroad after taxes on those profits levied abroad. In the case of corporations operating in the country and abroad (for example, in overseas territories), it may not be possible for statistical reasons to indicate exactly which part of total profits originates abroad. They may then be included in item 3.

In its simplest form the national expenditure account may be presented as follows:

1. Consumers' expenditure on goods and services
2. Government current expenditure on goods and services
3. Domestic gross capital formation
   (*a*) Private
   (*b*) Government
4. Net expenditure by the rest of the world on goods and services
5. GROSS NATIONAL PRODUCT AT MARKET PRICES
6. *Minus:* depreciation allowances
7. *Minus:* indirect taxes net of subsidies
8. NET NATIONAL EXPENDITURE AT FACTOR COST

Consumers' expenditure on goods and services refers to current expenditures at market prices for consumers' goods and services by persons and non-profit institutions. It excludes direct taxes, contributions for social insurance, pension funds and life insurance premiums, but includes other insurance premiums paid out of personal income, the cost of the administrative services of life insurance companies, certain fees paid to the government, and also imputed charges for bank services rendered free.

Government current expenditure on goods and services may include certain items such as medical services, educational facilities, etc., which in other countries may be provided by private undertakings. For the purpose of international comparisons it may be desirable to group those items together with consumers' expenditure. In the government revenue account a corresponding transfer payment to the consumers' sector may then have to be shown.

Gross capital formation includes all investment in durable capital goods and increases in stocks held by business enterprises. Certain items of capital formation are sometimes charged to current business expenses; hence, an adjustment may have to be made. Current outlay on repairs and maintenance is usually not included in gross capital formation but sometimes the concept is widened to include those items.

The measurement of government gross capital formation as distinct from current expenditure on goods and services usually involves various conceptual and statistical difficulties, and more or less arbitrary decisions may then have to be made. Furthermore, since data on depreciation allowances for government assets (outside public enterprises) are usually not available, it may be difficult to estimate government net capital formation. Sometimes, these depreciation allowances are simply ignored. Government capital formation may include purchases of existing real assets from the private sector, which must then be deducted from private capital formation.

Expenditure on military equipment and increases in stocks of military supplies are often classified as capital formation, although from a theoretical point of view perhaps only invest-

ment in war plants should be included in capital formation, and all other military expenditure as current expenditure on goods and services. [1]

Investments abroad of domestic corporations operating abroad are usually classified under net foreign investment and not as domestic capital formation.

In principle, foreign aid forms part of the gross national product of the supplying country and forms no part of the national income of the receiving country. Accordingly, item 4 (net expenditure by the rest of the world on goods and services) is here defined so as to include among exports goods sent abroad as gifts and among imports goods received from abroad as gifts. It should be distinguished from "net foreign investment" which equals the increase in a country's foreign assets resulting from a surplus of the balance of payments on current account. In actual usage the term "net foreign investment" is often used in either of the two senses. In the case of countries receiving foreign aid "net foreign disinvestment" is often used to indicate the total deficit of the balance of payments on current account, before adjusting for the aid received. The terminology in actual use has been adopted in the country sections in chapter III.

If this treatment is adopted, item 2 for the supplying country should not include expenditure on goods sent abroad, unless at the same time an offsetting item is introduced. In the national expenditure account of the receiving country items 1 and 3 will include expenditure on goods received from abroad which is correct since item 4 includes those goods among imports. If, however, the receipts from the sales of those goods in the form of "local currency funds" were treated as other government receipts and on that ground deducted from item 2, an offsetting item would have to be introduced.

In accordance with usual balance of payments practice, increases in gold stock will be considered as increases in foreign investment, irrespective of whether they originate in domestic gold production, in the handing over of gold from the public to the Central Bank, or in international gold movements.

Depreciation allowances (item 6) are deducted to allow for capital used up in the process of production. However, depreciation charges as reported by business for tax purposes are usually related to the original cost of the investment, and adjustment to a current price base may therefore have to be made. In most cases the statistical difficulties involved have been found insurmountable and hence no corrections have been presented. Conceptually, the item should also include certain capital outlays which are usually charged to current expense, and the net premiums paid for insurable business risks, such as fire insurance. Instead of the insurance premiums paid, the accidental damages to fixed capital have sometimes been included.

For the purposes of economic analysis both national income at market prices and at factor cost have been found useful concepts. The difference between the two aggregates equals indirect taxes minus subsidies and these two items have therefore to be defined. A clear line of division between direct and indirect taxes is not easy to attain in practice, but those taxes which affect relative prices are usually treated as indirect. Thus, indirect taxes are those levied on goods and services and chargeable as a cost against the proceeds of sale, such as customs and excise duties, sales taxes and local rates.[2] Motor registration fees, if paid by business, are considered as in-

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[1] Professor S. Kuznets has proposed a peacetime and a wartime concept of national product: "In the peacetime concept war goods are treated as a species of capital whose use is to help sustain or increase the flow of goods to the country's population. Hence, the corresponding *net* national product total excludes consumption of war goods and includes only net additions to the stock of war goods (finished, unfinished or war plants); and the corresponding *gross* national product total is, in addition, gross of the current consumption of war plants. In the wartime concept of national product, the aims of the armed conflict are considered as being on a par with the satisfaction of consumer wants, and therefore a final purpose. All finished war goods ready for use in armed conflict are then final goods—like the finished commodities and services that flow to consumers. Hence, the corresponding *net* national product total includes all finished war goods, durable and nondurable, as well as net additions to the inventory of unfinished war goods and to the stock of war plants; and the corresponding *gross* national product is, in addition, gross of the current consumption of war plants." (*Cf.* S. Kuznets, *National Product Since 1869*, New York, 1946, pp. 13-14). It is clear, therefore, that the method proposed in the text comes closer to the second of Professor Kuznets' concepts.

[2] *Cf. Measurement of National Income and the Construction of Social Accounts*, p. 31.

direct, but if paid by private motorists treatments differ. Real estate taxes paid by house-owners are usually considered as indirect, but taxes on rents payable by tenants are sometimes considered as direct. In borderline cases any decision is necessarily more or less conventional. Thus in the cases mentioned it may be decided to classify taxes on the use of private automobiles and taxes on rents as indirect, since they increase the cost to consumers of using the services of automobiles or houses.

A subsidy may be defined as a charge incurred by a public authority with the object of enabling the general public to buy a commodity or service at less than the price which would otherwise have to be paid.[1] Subsidies may also take the form of a differential in the buying and selling prices of the government agency paying the subsidy. Obviously subsidies may be considered as negative indirect taxes. Here again, certain borderline cases may arise where any decision must necessarily be conventional. For example, government payments for not producing at all may be treated as subsidies, but payments for drainage of land and other investment purposes may be treated as transfers from the public to the private sector, and if this is done they will not be included among subsidies.

Treatment of Important Items

In the previous issue of *National Income Statistics of Various Countries* a number of important items were discussed that are treated differently in the various national publications. These items can be conveniently grouped into the following categories:

Non-Monetary Items

(1) Unpaid services of housewives
(2) Net rental value of owner-occupied houses
(3) Services of other durable consumers' goods
(4) Farmers' consumption of own produce, and similar items
(5) Payment in kind

Government

(6) Government services, civilian
(7) Income of armed forces
(8) Profits and losses of government-owned enterprises
(9) Corporate income tax
(10) Indirect taxes and subsidies
(11) Interest on the national debt and other public debts

International Transactions

(12) Foreign aid and other grants, occupation costs and reparations
(13) Personal and institutional remittances to and from abroad
(14) Interest and dividends received from abroad, profits of corporations operating abroad

Capital Gains and Losses and Inventory Changes

(15) Inventory revaluation adjustments
(16) Stock market and real estate gains and losses
(17) Cash and accrual bases of income valuation

Miscellaneous

(18) Contributions to pension and social security funds, military pensions, etc.
(19) Unemployment assistance, dismissal compensation, etc.
(20) Services rendered by banks and other financial intermediaries
(21) Commissions paid by individuals for transfer of securities and other property
(22) Illegal, immoral and black market transactions

[1] *Ibid.* p. 33.

While this list is not intended to be exhaustive, experience has shown that most of the conceptual differences among national income totals published may be classified under one or more of these headings. Hence, any attempt to adjust national income statistics for international comparability will have to take into account the different practices in various countries with respect to the treatment of these items.

In the following pages recent tendencies in the handling of these items in the official publications of various countries will be briefly reviewed. National income at factor cost, defined as the aggregate of all incomes accruing to factors of production, is taken as a starting point. However, it would not be difficult in each case to indicate how inclusion or exclusion of an item would affect the breakdown by industrial origin, or by types of final expenditure.

Non-monetary items (items 1-5) refer to categories of currently produced goods and services which by their nature are not exchanged for money. As a rule, national income is limited to the goods and services for which a market exists or which involve a cost, and on this ground some of the non-monetary items are generally excluded. Accordingly, all countries for which national income statistics are included in this volume now exclude the *unpaid services of members of the household* and the money value of the *services of durable goods* other than houses.

In countries less developed economically, where certain industrial activities are carried out in the households instead of in business enterprises, the strict application of this rule may give rise to problems. In such cases an attempt must be made to draw a boundary line between housekeeping and the other type of activities and only the latter will be included in the national income. Omission may result in underestimation of the national income.

As an argument for inclusion of the unpaid services of housewives and other members of the family, it is stated that a more complete picture is thus obtained of the total output of goods and services in a nation's economy. It is not always easy to foresee how inclusion would affect intercountry comparisons. In highly developed countries characterized by shortage of paid domestic help, the unpaid services of housewives may be very substantial, and to these should be added such services as driving one's own automobile, or repairing one's house, items which are likewise not included in the conventional definition of national income.

The net rental value of owner-occupied houses, like rent actually paid, is generally included in the national income. Differences in the treatment of income from real estate may be due to the fact that sometimes (for example, in New Zealand) local rates, which are a business cost to the house-owner, are not deducted in determining the net income from rents.

Farmers' consumption of own produce is generally included in the national income. Differences in treatment result mainly from differences in the method of valuation used, and also from the fact that sometimes (for example, in the United States) miscellaneous produce, such as vegetables and fruits grown for own consumption only, is not included in the computations, chiefly because of lack of information. Production for own consumption may also include non-agricultural activities such as repairs of farm buildings, and spinning and weaving. These or similar activities carried out on farms are sometimes not fully taken into account in the actual estimates.

Payments in kind in the form of food, clothing, shelter and the like received by domestic servants, agricultural workers, hotel personnel, personnel of the merchant marine, the armed forces, etc., are generally regarded as an element of labour income and as such included in the national income. The criteria used for evaluating these items are not always explained in detail.

Special issues in kind, such as free meals to factory workers, grants to coal miners' families, etc., are also often included. Transportation, medical services and personal care provided free by employers are as a rule not treated as an element of labour income, but as a miscellaneous business cost of the business enterprises concerned.

The role of government gives rise to a number of problems in the measurement of national

income, the most important of which have to do with the determination of the classes of services to be included in national income and the basis of their valuation.

Nearly all countries now include *civilian government services* (item 6) in the national income, and with a few exceptions, these services are valued on the basis of total wages and salaries paid, including income in kind, and contributions for pension funds and social insurance, for the purpose of measuring national income by industrial origin.

The practice of including only public services rendered to final consumers, on the ground that services rendered by government to business are reflected in the value of other final goods already taken into account, has now been abandoned by most statisticians. Experience has shown that it is very difficult in practice to draw the line between direct and indirect public services even if on theoretical grounds one wished to do so. For the purpose of making international comparisons it would be still more difficult in practice to arrive at criteria for apportioning such services which are equally applicable to all countries.

The method has been used in an earlier study for Sweden,[1] in the pre-war official estimates for Germany, and in a revised form in a post-war study for that country, and also in the recent official estimates for Italy.[2]

Government services have been treated in a different and unusual way in recent publications for Jamaica, Paraguay and Peru.[2]

Income of the military in money and kind (item 7) is included in most national income totals, but practices differ considerably with respect to the inclusion or exclusion of various allowances in money and various elements of provisions in kind.

Australia includes active pay, field allowances, subsistence allowances, dependents' allowances and the value to the member of the forces of food, clothing and normal medical attention supplied. Deferred pay and war gratuities are excluded, i.e., they are treated as transfers. Canada includes only food and clothing among income in kind. In New Zealand non-recurring payments such as war gratuities, deferred pay and mufti allowances are now allocated over the war years, whereas previously they were included in the pay and allowances of the armed forces in the year of actual payment. Income in kind includes the value of clothing, food, accommodation, education services and medical services. In the United Kingdom pay and allowances of, and the cost of issues of food and clothing to members of the armed forces and auxiliary services, other than those on release leave, are included in the national income. In the United States income of the armed forces includes food and personal clothing furnished, government contributions to military life insurance funds and the allowances paid to dependents. Bonuses and other deferred payments such as mustering-out pay and payments to ex-servicemen under Public Law 16 and Public Law 346, 78th Congress, are treated as transfers.

In several other countries income in money and in kind of the armed forces is included, but details of the treatment are often not made public.

Income of armed forces abroad is generally included in the national income as the members of the armed forces are considered as residents temporarily abroad.

In most national income studies government enterprises are treated as private enterprises and classified according to the industries where they belong. *Profits and losses of government enterprises* (item 8) are then treated as such, although occasionally when a deficit is compensated by a government subsidy, it may not be regarded as a negative income. In the United States profits of government enterprises have not been added to other factor costs because of the fact that some transactions of these enterprises have been non-commercial in character, particularly during the war, and have not been separated statistically.

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[1] Lindahl, E., Dahlgren, E., Kock, K.: *National Income of Sweden, 1861-1930,* Stockholm Economic Studies, London, 1937.

[2] *Cf.* chapter III.

Transactions between government enterprises and the general government administration may be treated in different ways. Sometimes profits or losses are shown after deduction of interest due to the government, sometimes they are shown before deduction of interest payments. The method to be used is dependent on the treatment of interest on the public debt (*cf.* item 11).

State monopolies for the purchase and sale of liquor, tobacco, salt, etc. are usually treated as a separate category. Their profits may best be included in indirect taxes.

The definition of a government enterprise as distinct from general government may differ somewhat from country to country, and this may affect the figures found for the share of the government sector in the national income classified by industries. Government commodity agencies, stabilization boards, etc., are sometimes grouped with general government and sometimes not. The administration of a social insurance system is sometimes classified as general government, but often it has been classified with insurance.

In the United States the government sector in the classification of national income by industrial origin includes all government enterprises. A similar method has been adopted in the national income statistics for Puerto Rico. In both countries the current surplus of government enterprises is not treated as profits but is deducted from the total amount of subsidies paid by the government to private business.

All countries now include *corporate income tax* (item 9) in national income at factor cost. The item should also include such taxes levied on the income of foreign corporations operating in the country (*cf.* item 14).

The treatment of *indirect taxes and subsidies* (item 10) affects the totals obtained for national income at market prices and national income at factor cost. It varies somewhat owing to differences in the treatment of certain taxes and rates, such as local rates paid by house-owners, taxes on rents paid by tenants, motor registration fees and various other fees.

In Australia, New Zealand and Norway real estate taxes are treated as direct taxes and hence they are not deducted from gross rentals in measuring net income from house-ownership. In the United Kingdom, the United States and many other countries such taxes are treated as indirect taxes and are therefore not included in net rental income. In the Netherlands taxes on rents of office buildings are treated as indirect, but taxes on rents of dwellings are treated as a direct tax on income.

Customs duties, excises, sales taxes, stamp duties, licenses for selling liquor, etc., taxes on stock exchange transactions, on transactions in real estate, and on mortgage contracts, and various business taxes are treated as indirect in all countries.

Special export duties to regulate exports, for example in connexion with the implementation of international commodity agreements, are in the nature of a tax on the income from exports. Therefore, they have sometimes been considered as part of national income at factor cost. In Indonesia, the special duty on rubber exports has been included in income accruing to the government, together with profits of government enterprises. However, in Australia the wheat export charge has been treated as an indirect tax. In the United Kingdom all indirect taxes falling on exports were added to the total of factor incomes, but this procedure was abandoned in 1949.

Motor vehicle duties are usually treated as an indirect tax. However, in the Netherlands only taxes levied on automobiles used by business enterprises are treated as indirect. Taxes on automobiles owned by private persons are classified as direct.

Fees or charges paid by the public for government products and services not accounted for under government enterprises are treated in different ways. In the report of the League of Nations Sub-Committee on National Income Statistics such fees and charges are treated as a component of consumers' current expenditure on goods and services, and therefore they are subtracted from government expenditure on goods and services.[1] However, in the United States such fees and

[1] *Cf. Measurement of National Income and the Construction of Social Accounts*, p. 13, notes to items 20(*a*) and 20(*b*).

charges have been treated as indirect taxes. In Norway they have been treated as indirect taxes when paid by business enterprises.

In Australia, taxes on lotteries and government lottery receipts in excess of prize money have been treated as indirect taxes.

In the United Kingdom, employers' contributions to social insurance have been treated as indirect taxes and not as a component of labour income. In Australia employers' contributions to the Queensland Unemployment Insurance Fund have been treated as indirect taxes (see also item 18).

In the United Kingdom and also in Australia war risk insurance premiums have been treated as indirect taxes. In most other countries these payments have been treated as allowances for capital consumption, sometimes after adjustment to eliminate that element of the premium which represents a payment for administrative services rendered by the insurance agency.

The treatment of subsidies also varies. For the purpose of measuring national income only government expenditures affecting the prices of current output are treated as subsidies. Subsidies to help finance private investment are usually not included in subsidies, but treated as capital transfers. However, in the United Kingdom and also, for certain years, in the Netherlands, grants in respect of grassland ploughing and land drainage have been included in subsidies. In Sweden the concept of subsidies has been widened to include a variety of government payments for investment purposes. Transportation subsidies are included in the figures for the United States (shipping), the United Kingdom (losses on the commercial account of the Ministry of Transport, civil aviation), Netherlands (deficit of the railways), New Zealand (reduction in interest on capital liability of the railways), and Norway (coastal shipping).

Interest on the national debt and on other public debts (item 11) is still treated differently but the area of agreement is becoming larger. It is generally agreed that where such debts have their origin in former war loans or other loans incurred for consumptive purposes, interest should be considered as transfer income and excluded from the national income. Therefore, in most countries only interest originating in government enterprises, in investments in revenue-producing real assets and in loans to foreign powers is included. This is the method actually used in Australia, Finland, India, Indonesia, Netherlands, New Zealand, Norway, Southern Rhodesia, Sweden and the United Kingdom.

In the United States (and in Puerto Rico) all interest on federal and local public debts has been excluded (*cf.* item 9) as has interest earned in government enterprises. In Canada, Switzerland and the Union of South Africa interest has been imputed to government assets outside government enterprises, such as public buildings, roads and bridges, etc., and added to the national income. In the case of local debts the assumption is often made that they are matched by productive assets and, therefore, all interest on such debts is included. The treatment of interest on foreign government loans is discussed under item 14.

Foreign aid and other grants, deliveries under lend-lease, occupation costs and reparations (item 12) are generally considered as part of the national expenditure of the supplying countries. The actual treatment, therefore, is in agreement with the treatment suggested in the first part of this chapter. However, in the expenditure account for the United States, all aid sent abroad is included in government expenditure on goods and services, and excluded from the export surplus.

The treatment of occupation costs in the expenditure accounts for countries of Continental Europe during the war years varies somewhat. Usually, such expenditure has been included in government expenditure of the occupied country, but in Denmark all occupation costs, including forced deliveries abroad, are shown as part of the export surplus.

In the expenditure accounts of the receiving country, reparations in the form of deliveries of existing capital equipment are usually treated in the same way as gifts from abroad and enter into gross capital formation.

Personal remittances (item 13) generally form part of the national expenditure of the country where these payments originate. Hence, they are usually considered as part of the national income of the country making the remittance and not of the income of the receiving country. In the estimates for Greece and Italy, however, personal remittances from abroad are included in the national income totals as published.

Not all countries include *net interest and dividends received from abroad* (item 14) in the national income. The official totals for Australia, Chile and India show the net geographical product. Differences exist with respect to the treatment of undistributed profits of corporations operating abroad. It is usually agreed that these profits ought to be included, after corporate profit taxes paid abroad, but probably owing to problems of statistical measurement this is often not done.

The treatment of interest on foreign government loans presents a separate problem. In the accounts of the creditor countries (the United Kingdom, the United States, Netherlands, Switzerland, etc.) all interest from abroad is included in net income from abroad, but, in the debtor countries, treatments differ. It is sometimes assumed that if the foreign debt has been incurred for consumptive purposes, such as the financing of war expenditure, such interest represents an international transfer which does not need to be deducted from the net geographical product to obtain the national income. Furthermore, since interest on non-productive government debts is not included in net geographical product, it is sometimes assumed that interest payable abroad need not be deducted from net geographical product. However, the Statistical Office has suggested that net government interest due abroad be deducted to assure a symmetrical treatment with the national income account of the creditor country, and also because interest due abroad may be regarded as a claim of the creditor country upon the net product of the debtor country.

Inventory valuation adjustments (item 15) are required to eliminate capital gains and losses resulting from fluctuations in prices of stocks of raw materials or finished products held by business.

In principle, two kinds of adjustments may be distinguished:

(*a*) For capital gains and losses resulting from price changes of stocks on hand;
(*b*) For capital gains and losses resulting from price fluctuations of materials and semi-finished goods that are used up in the current year.

The nature of the adjustments to be made depends on prevailing accounting practices. Only in a few cases have complete or partial adjustments actually been attempted (United States, Puerto Rico, Canada, the Netherlands and Peru). In other cases, the need for the correction has been recognized (Sweden, Switzerland, Union of South Africa), but owing to the statistical difficulties involved, no attempt has been made to apply the adjustment.

Stock market and real estate capital gains and losses (item 16) are ordinarily excluded so that income may reflect only the current return from the application of factors of production. The capital gains and losses of brokers and dealers are, however, often included on the ground that since trading on own account is part of such businesses, the resulting trading profits are an integral part of factor income from productive services. However, in the United Kingdom, profits of brokers and real estate agents have been excluded from the national income.

Cash and accrual bases of income valuation (item 17). For most branches of industry national income is evaluated on an accrual basis, i.e., the income payments are taken at the moment the productive services are rendered. Theoretically, at least, two other approaches are possible. Income payments may also be considered at the moment they are due or at the moment they actually take place. It is not ordinarily possible to evaluate the entire national income on an accrual basis. For example, in those cases where dividends and undistributed profits are estimated separately, dividends are often included at the moment they are payable, which may lag behind the period in which they were earned. Sometimes a correction is made for this lag by "shifting back" the aggre-

gate of dividends. This procedure is not usually applied to dividends received from foreign investments.

Agricultural income as far as dairy produce and output of meat are concerned is often calculated on a cash basis. An increase in the number of livestock, which would have to be considered as an investment, is in such cases not included in the income of the period considered, but appears in the income of a later year when the animals are delivered to be slaughtered. If agricultural income is calculated strictly on an accrual basis, the increase should be included in the income of the year under review. The correction has been applied in the estimates for Australia, Canada, Denmark, Netherlands, Sweden, Switzerland, the United States and the United Kingdom. The methods used for treating the net output of grains usually come closer to a valuation on an accrual basis, since crops appear in agricultural statistics when harvested and not when actually sold by the farmers.

Similar problems arise when evaluating income in the retail and wholesale trades on an accrual basis. In this connexion it may be noted that stocks are usually valued at purchase price, and though interest on capital investment in commodity stocks will usually be imputed, and thus appear on an accrual basis, entrepreneurial income appears only at the moment goods are sold.

Another important example where it may be difficult to evaluate the contribution to national income on an accrual basis is found in those manufacturing processes where the construction period is comparatively long, as in shipbuilding or construction. Work on hand at the end of the year is usually evaluated on the basis of total outlay in wages, etc., and appears therefore in the national income of the current year, except for profits which are usually included upon completion of the ship or building.

Contributions to social insurance funds and pension funds (item 18) are usually treated as follows. Premiums paid by employees are considered as part of labour's share in the national income. With respect to the employers' contributions, different methods are used. In some countries, notably the United Kingdom, these payments are considered as indirect taxes, in others both employers' and employees' contributions are regarded as part of the remuneration of labour. Where there is no close relationship between the contributions and the benefits paid, and no separate social insurance funds exist, there may be reason to treat the employers' contribution as indirect taxes. In those cases where the social insurance schemes are not run by the government but by a private or semi-official body, there is apparently no reason why the employers' contribution should be treated as an indirect tax.

In the interest of greater international comparability, it may be advisable to regard employers' contributions as a part of the income accruing to labour, because the apportioning of social security contributions between employers and employees depends in general on accidental circumstances. A refinement of the method may be obtained by taking into account only the *net* premium. The element of the premium which constitutes a payment for the services rendered by the agency in charge of the administration of the social insurance scheme will, in such cases, not be included in the income assumed to accrue to labour but will be considered as a business cost to the employer. The treatment suggested implies that all pensions, benefits, annuities, etc., paid out of the funds must be considered as transferred income.

Where no separate pension funds for government personnel exist, pensions will usually be an item of current government expenditure. The pensions may then be considered as deferred payments for services rendered in previous years, and may, on that ground, be included in the national income. A similar procedure is usually adopted with respect to military pensions, though sometimes these are regarded as transferred income. Pensions to war widows and pensions awarded for disability or death attributable to war service are usually treated as transfers.

Pensions for retired personnel from overseas territories and contributions on behalf of such personnel form a special category. Usually, they are included in the national income of the Metropolitan Power concerned, but this may be incorrect if some of the personnel should decide not to return to the home country.

Unemployment assistance (item 19) is generally regarded as transferred income. It is an element of total personal income, but it should be eliminated from national income at factor cost. Issues in kind are usually included at the prices paid by the government.

Sometimes employees who have served for a long period of time receive compensation upon their discharge. Such compensation should likewise be included in transferred income, though sometimes it is treated as payment for services rendered. In some countries the item gains a certain significance during periods of growing unemployment.

Wages paid for public relief works are usually regarded as productive and included in national income. Government subsidies to wages constitute a more difficult case. Whether they should be regarded as transferred income or as a payment for services rendered, depends on the purpose of such subsidies, which are usually only paid in cases of temporary economic dislocation.

Services rendered by banks and other financial intermediaries (item 20) are treated in various ways. Three methods may be distinguished.

The method recommended by the League of Nations Sub-Committee on National Income Statistics[1] has been used in Canada, the United States and Puerto Rico. In Canada the method was introduced after an analysis of revenue and expenditure statements of Canadian commercial banks had led to the conclusion that services rendered without charge benefit depositors as a group rather than borrowers. In the United States, the value of services rendered by banks without the assessment of specific charges is imputed to depositors (persons and business). Imputed interest equal to the value of financial services received by persons without explicit payment is added to the aggregate of all factor incomes. The method used in the estimates for Puerto Rico is slightly different in that the financial services rendered free (measured as the difference between interest and dividends received by banks less interest paid) are imputed to individual—not business—depositors.

The second method does not result in an adjustment of the type indicated. Although this is not always explicitly stated in the publications concerned, this approach assumes that banks render unpaid services to business only. Hence, part of interest received by banks is considered as an imputed payment for services rendered to borrowers, which therefore leads to a lower figure for net income in the industries concerned than would have been obtained if the first method had been followed. The allocation of bank services by industries may offer serious statistical difficulties. Therefore, it is sometimes not attempted, and instead, the gross value of all services rendered by banks is deducted from the aggregate income produced in all sectors of the economy. In this form the method has been used in Finland and Norway.

A third method has recently been introduced in Australia. It is based on the conviction that an imputation of free banking services to individual and business depositors, as proposed in the League of Nations report, is not feasible. It is obviously incorrect to assume that the amount of free services rendered is proportional to the amount of interest paid to various groups of depositors. It is also held that in principle it is not possible to allocate imputed service charges by banks to borrowers and lenders and between sectors.

The conclusion is reached that banks should rather be considered as a separate category of providers of final services to the community as a whole, in many respects similar to the services rendered by general government administration. It may be noted that a similar method has been adopted in a recent study on the social accounts for Indonesia (*cf.* chapter III).

Net income originating in banking is also treated differently. According to the League of Nations report, it is defined as wages and salaries to bank employees plus the surplus of the operating account, which shows on the receipts side the total of actual and imputed charges to business enterprises and persons. A revision of the method has been suggested, based on the assumption that all profits earned by banks may be considered as transfer of dividends received,

[1] *Cf.* pp. 11-12.

or in other words that the surplus of the operating account must necessarily be nil. If this assumption is made, the total of imputed charges will be lower by the amount of the surplus on the operating account, resulting from the method recommended in the League of Nations report. In various countries income originating in banking has been treated in this way. Thus in Australia income in banking has been defined as the total of wages and salaries paid. The national income total obtained in Australia exceeds the total that would have been obtained if the method recommended in the report of the League of Nations had been used, by the amount of charges imputed to business enterprises according to this report less the surplus on the appropriation account.

In Norway income originating in the banking sector has been defined as the total of wages and salaries plus 5 per cent interest imputed to the bank's real assets (buildings and equipment).

Finally, it may be noted that even if, in accordance with the League of Nations report, interest is imputed to depositors together with charges for services rendered free, a different interpretation is possible. Depositors may, just like house-owners, be considered as a separate category of entrepreneurs. Actual or imputed bank charges may then be considered as business expenses of the depositors, and their net interest income would be equal to total interest received less total outlay on actual or imputed bank charges. If this view is adopted, the imputation to persons of interest and charges for bank services rendered free would clearly not lead to increased national income.

Costs to individuals of buying and selling securities and other property (item 21). Very often the expenses of individuals in the form of brokers' fees and commissions for buying and selling securities are considered an element of national expenditure. Sometimes, however, these expenses are charged against the returns from these investments, which consequently appear lower. National income publications rarely contain exact information on the treatment of these costs.

Illegal, immoral and black market transactions (item 22). Illegal transactions are mostly excluded from national income. With respect to black market transactions, treatments differ. In many countries they are excluded altogether from the national income, but the question then arises whether these transactions ought not to be included at official prices. The problem is rather complicated, because there are also business expenses at black market prices, which likewise would have to be revalued at legal prices.

Where income from black market transactions is included in the national income, the estimates are mostly on a conservative basis.

National income may be computed before or after deduction of *allowances for depletion* of natural resources. In practice, a depletion charge is made by firms owning mineral resources in order to reflect the gradual exhaustion of a capital asset. In the national income estimates of the United States such depletion charges are added back to profits. The justification of this procedure is to be found mainly in the fact that new discoveries of natural resources are not normally included in gross capital formation. In some countries the problem is still further complicated by the fact that tax laws are so framed as to lead to rather arbitrary depletion charges.

In the League of Nations report *allowances for bad debts* are treated in the same way as depreciation allowances. Sometimes the view is taken that bad debts may be regarded as transfers from one group of persons or firms to another group and on that ground cancel. This is the method which has been adopted in the official estimates for the United States. Most national income publications do not express views on the treatment of this item.

A national income concept different from that discussed in the report of the League of Nations Sub-Committee on National Income Statistics is used in the Union of Soviet Socialist Republics and has been introduced in the national income studies for Poland and other Eastern European countries. In principle it is limited to the output of goods only and generally excludes production of final services to consumers, such as education, medical care, professions, etc. However, material output of commodities consumed by the service industries is included in the national income totals. The method has been explained in detail in a recent study for Poland (*cf.* chapter III). Not all

writers have adopted identical methods as to the distinction between services that should or should not be included. For example, passenger transportation has sometimes been excluded, sometimes included.[1]

Intertemporal Comparisons of Real National Income

National income estimates are usually expressed in current prices. For many purposes, and particularly in periods of rapidly rising or falling prices, there is a need for figures adjusted for fluctuations in the price level.

In principle, the measurement of national income at constant prices (or real national income) has been approached from two different angles. According to the first group of methods, the purpose is to adjust national income for changes in the price level, or in other words for changes in the purchasing power of the monetary unit. In its simplest form the method consists in "deflating" the series of national income at current prices by a suitable price index. According to the second group of methods, national income at constant prices is conceived of as a general index of the production of goods and services in the economy. The difference between the two methods is made apparent if, for example, the effect of changes in a country's terms of foreign trade is considered. If the first approach is used, such changes would be reflected in the price indices used as "deflators," and therefore in the estimates of real national income. However, if the second approach is used, changes in the terms of trade will not, or at least not to the same extent, affect the figures obtained. This is explained by the fact that the production index for the export industries, which is a component of the general index of output of goods and services, is not affected by fluctuations in the terms of trade at which these goods can be sold abroad.

The methods used in various countries for expressing national income in constant prices represent very often a mixture of different devices depending on the statistical material available for individual branches of industry and for the various components of the national income. For most countries the computations should be considered as approximative and steps to improve the methods are being taken continuously. In this chapter the methods used will be reviewed briefly. For details reference is made to appendix II.

As indicated above, a method often used consists in deflating national income expressed in current prices by a suitable price index, usually an index of the cost of living. It is now generally agreed that such a procedure for adjusting for the changing purchasing power of money is extremely crude, and difficult to defend on theoretical grounds. At best, such a procedure may be appropriate to the deflation of personal expenditure, assuming that the index is sufficiently representative of the cost of living of the whole population.

In principle, the method may be improved by deflating separately each of the main categories of national expenditure: consumers' expenditure on goods and services, government expenditure on goods and services, and net investment.

Since prices paid include indirect taxes and exclude subsidies, the appropriate concept to be used from this point of view is national expenditure at market prices. However, by introducing suitable corrections it is usually possible to obtain a series at constant prices for national expenditure at factor cost as well.

The adjustment of consumers' expenditure consists in eliminating fluctuations in prices charged to consumers. Where possible, each item of expenditure is deflated by a suitable price index, and the series thus obtained are combined into one series. Since the pattern of consumers' expenditure after the war often differs considerably from the pre-war pattern, problems of weighting arise which have sometimes been solved by recourse to more complicated devices, such as the use of the ideal index formula, etc.

[1] *Cf.* "Report on discussions held by the Bulgarian Statistical Society during December 1947," *Statistica*, No. IX, 1st and 2nd Quarters, 1948. Central Statistical Office, Sofia (in Bulgarian).

More difficult still are the problems that arise if general government expenditures on goods and services and capital formation have to be deflated. In many countries government purchases of materials are carried out by a central purchasing agency that may have at its disposal sufficient basic data to compile reasonably reliable price indices. It may, however, prove to be very difficult to compile a price index on a pre-war basis for, say, government expenditure on munitions. Furthermore, it is also difficult to deflate government expenditure on wages and salaries. It is usually possible to compile a reasonably accurate index of government salary rates, but a difficulty arises if changes in the productivity of government labour must be taken into account. In certain cases, as in the devastated countries, the changes in labour productivity during and immediately after the war may be considerable.

An approximate solution is sometimes attempted by using as an index the changes in labour productivity for those branches of the government service where output per man-hour can be established with a reasonable degree of accuracy as, for example, in the Post Office. However, the general applicability of such a procedure seems very doubtful.

Investment consists of domestic capital formation and net foreign investment. Indices of prices of capital goods are often available, or may be compiled on the basis of available price data, and may then be used to deflate domestic capital formation. There arises here a further difficulty if the problem is to express net capital formation in constant prices. Components of gross capital formation may be known in great detail, but this is usually not the case with net capital formation, inasmuch as total depreciation allowances are often not known or at least not published in similar detail. If it is necessary to deflate *net* capital formation, the best procedure probably consists in trying first to establish depreciation in as great detail as possible with the help of additional information and then subtracting each item from the corresponding item in gross capital formation. Net domestic capital formation in constant prices may then be obtained by adjusting each component for price fluctuations.

It is very difficult to establish a satisfactory method for deflating net foreign investment. A method sometimes used consists of deflating separately exports and imports, and subtracting the latter from the former, after some form of adjustment for net dividends and interest received from abroad and other items entering into the balance of payments. In the absence of a satisfactory method, the best procedure may be to deflate by an index of import prices on the ground that foreign assets may be regarded as a source to finance imports.

The purpose of adjusting consumers' expenditure for changes in the price level is to compare the volume of consumers' goods and services available in the year under review with the corresponding figure for the base period. The procedure is meaningful only if it can be assumed that consumers' scales of preferences have remained unaltered, and that the free choice of consumers at prevailing prices is not impeded by rationing. It is difficult to apply adjustments if the latter condition is not fulfilled. Likewise, it is difficult to adjust price indices for changes in the quality of goods. Figures on real outlay on consumers' goods and services for recent years may thus tend to underestimate somewhat the increase of real national income of some countries.

As government expenditure is not determined by scales of preference in the same way as consumers' expenditure, adjustment for price changes of this item is more or less conventional. The evaluation does not reflect the fact that such services may perhaps be temporarily expanded due to an emergency situation and may not represent final satisfaction to consumers, and that public views about the function of government may have changed. It is now more or less generally agreed to consider the government as a "final consumer". This fact has to be taken into account in interpreting figures on real national expenditure. If comparisons of real income *per capita* have to be made, it is possible that a comparison of real consumers' expenditure on goods and services may be more suitable to the purpose than a comparison of figures on total national income or expenditure in constant prices.

The second approach to the measurement of real national income is based on indices of the volume of output for all branches of industry. The best solution, from a theoretical point of view,

is to consider, for each industry, the output of final products and the input of materials obtained from other industries or from abroad, and used up in the productive process, and to deflate both series by suitable price index numbers. The difference between the two series will show the net output valued at base year prices. It is easy to see that the output of each intermediate product would cancel, since it is offset by its consumption in another industry (except for changes in stocks). Thus, for a country with a closed economy, the result is the same as if the components of final expenditure are deflated. Since all intermediate products cancel, the series obtained for real national income will not be biased owing to the fact that the quantity of intermediate products used up per unit of final product in various industries may vary over time.

For statistical reasons, it is often not possible to apply the method for all sectors of the economy. Instead, an index of production obtained in the usual way by combining index numbers of production for various industries, weighted according to the net value added in the base period, may then have to be used. Certain of the conditions mentioned above, such as the fact that the series obtained should not be affected by fluctuations in the quantity of intermediate output per unit of final output, may no longer be strictly fulfilled. It may be pointed out, however, that this and other methodological problems involved are in principle not different from those arising in the computation of any index of production.

Certain statistical problems of measurement encountered in the evaluation of the components of national expenditure in constant prices remain. For the service industries, particularly the government sector outside government enterprises, it is very difficult to compute a satisfactory index of the volume of output.

If real national income is conceived of as a measure of the aggregate output at constant prices, gross geographical product at factor cost may be the appropriate concept to use. If this is the case, the problem of how to deflate net dividends and interest and other net income from abroad is avoided. The results obtained would still provide very valuable information which, combined with other data, would make possible an analysis of the factors that have caused fluctuations in real income per capita, conceived of as a measure of welfare.

CHAPTER III

Survey of National Income Statistics for Thirty-two Countries, 1938-1948

In this chapter the national income statistics for thirty-two countries are presented in detail, together with the social accounts for the countries that have adopted this technique. Emphasis is laid upon analysis of the national income concepts adhered to, and an accurate description and presentation of the main results. In principle, the survey is limited to official estimates. In those cases where no official estimates are released, publications by private research institutes and scholars are reviewed. The survey refers to the period 1938-1948, but where special circumstances seem to warrant it, figures for a period prior to 1938 are included in the tables. The sources drawn upon for the statistical data and explanations of the concepts and methods of measurement used are cited at the beginning of each country section. Notes to the tables, using the item numbers as references, will be found at the end of each country section.

AUSTRALIA

Sources

(1) *National Income and Expenditure, 1947-48,* Commonwealth of Australia, 1948.

(2) *National Income and Expenditure, 1948-49,* Commonwealth of Australia, 1949.

(3) Communication of the Commonwealth Bureau of Census and Statistics, December 1949.

The National Accounts

For the purpose of establishing a system of national accounts as a framework for the estimation of national income and other aggregates, the publications cited above divide the Australian economy into five sectors: business, financial enterprises, government, rest of the world, and persons in their capacity as income recipients and consumers. For each of these sectors a separate account is shown, and in addition a combined capital account for the whole economy is presented. The accounts which follow (tables 1-6) are based on sources (2) and (3), and cover the fiscal years 1938/1939 to 1948/1949.

The operating account for business enterprises (table 1) summarizes receipts and expenditures resulting from current business operations of all enterprises engaged in selling goods and services, including government business undertakings, fire and general insurance companies, farms, self-employed persons and ownership of dwellings. It excludes, however, those enterprises engaged primarily in financial transactions such as banks, mutual life assurance companies and superannuation funds.

The account for financial enterprises (table 2) refers to the current receipts and expenditures of banks (including the central bank, note issue and savings banks), mutual life assurance offices, and pension, superannuation and provident funds. This account is not consolidated with the business sector in order to emphasize the treatment of financial enterprises adopted. Net expenditure on goods and services by financial enterprises is treated as a final use of goods and services, on the

ground that these enterprises provide financial services to the economy as a whole in much the same manner as government provides certain services. Previous practice has been, in effect, to impute the entire cost of banking to business, so that no addition to national income was made for banking activities. The figures shown in the breakdown of gross national expenditure (table 8) for "Expenditure of financial enterprises" are obtained by subtracting from items 11, 12 and 13 of table 2 charges for services by mutual life assurance companies and superannuation funds (item 45 (*c*) of table 5).

The account for the government sector (table 3) shows receipts and expenditures for Commonwealth, state and local governments (including extra-budgetary, trust and loan fund transactions) and all semi-governmental authorities other than banks and housing authorities. In so far as these various public authorities operate business undertakings, however, only the net surplus of receipts over working expenses, interest paid on money borrowed to finance the undertaking and capital expenditure are included. Expenditure on goods and services includes purchases of capital goods, and is shown net of fees for services and proceeds from sales of goods. Total expenditures of government are shown equal to total receipts plus deficit, or less surplus.

Current transactions with the rest of the world are summarized in table 4. The item "Net public authority payments (excl. interest) by Australia", shown on the receipts side of the rest of the world account, comprises, besides overseas war expenditure and similar items, relief and rehabilitation contributions and gifts to the United Kingdom, and offsets equal amounts included in government expenditure on goods and services (item 22 (*d*) of table 3). It should be noted that net interest, dividends, and other investment income payable abroad have not been deducted in arriving at national income or expenditure. The item "Net exports of goods and services", in table 8, refers not to net foreign investment or the balance of payments on current account, but to items 37 to 40 less items 33 and 34 of table 4. For this reason, the national income and expenditure computations are designated here as domestic national income and expenditure.

The revenue account of persons (table 5) shows all forms of income accruing to persons in their capacity as income receivers and consumers, including transfer payments such as cash social service benefits, and the disposition of this income on consumption, taxes and saving. Details of consumption expenditure are shown here to the extent that they are known. The figures for direct saving (i.e., other than through assurance funds and marketing authorities) are residuals.

The combined capital transactions of the economy are summarized in a capital account (table 6) showing on the one hand all the forms of saving by source, plus borrowing from overseas, and on the other hand the use of these funds to finance gross private domestic investment and the government deficit. Capital investment by public enterprises and general government is regarded as a part of current expenditure by government on goods and services, and is therefore not shown.

National Income and Related Aggregates

National income and gross national expenditure for the years 1938/1939 to 1948/1949 are shown in tables 7 and 8. It has been pointed out that these aggregates include net investment income payable overseas; for this reason they are here designated as *domestic* national income, etc. In effect, the Australian definition therefore refers to the income accruing to the productive resources situated in the country, rather than to the income accruing to residents of Australia from productive resources wherever situated.

The treatment of financial enterprises has also been touched upon. The consequences resulting from this treatment are reflected in the national expenditure by the addition of the item "Expenditure of financial enterprises", which is regarded as a final use of goods and services comparable to government expenditure.

No breakdown of national income by industrial origin has been made available.

TABLE 1

Operating Account of Business Enterprises

(millions of pounds (A))

EXPENDITURES	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
1. Wages, salaries, etc.	358	364	399	466	507	514	507	536	625	738	866
2. Company income	84	99	108	116	123	135	134	131	155	180	200
3. Surplus of public authority business undertakings	32	35	39	48	59	56	49	37	25	18	5
4. Income of unincorporated business, farms, professions, etc.	161	187	171	176	207	220	208	245	300	540	580
5. Net rent and interest paid	93	95	97	97	95	96	94	98	102	111	115
6. Indirect taxes less subsidies	89	100	110	130	148	129	124	131	175	172	219
7. Allowances for depreciation, etc.	45	47	50	53	56	57	56	60	64	71	80
8. Total	862	927	974	1,086	1,195	1,207	1,172	1,238	1,446	1,830	2,065
RECEIPTS	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
9. Net sales:											
(*a*) To financial enterprises	1	1	2	3	4	3	3	2	2	1	1
(*b*) To public authorities	49	67	114	207	354	358	279	165	84	108	162
(*c*) To consumers	646	678	722	771	765	732	748	828	988	1,216	1,403
(*d*) For private investment	140	150	95	85	30	50	90	205	325	460	400
(*e*) Exports less imports, etc.	26	31	41	20	42	64	52	38	47	45	99
10. Total	862	927	974	1,086	1,195	1,207	1,172	1,238	1,446	1,830	2,065

Sources: (2) and (3) cited on page 27.

TABLE 2

Revenue Account of Financial Enterprises

(millions of pounds (A))

EXPENDITURES	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
11. Wages, salaries, etc.	11	11	11	11	11	12	12	15	19	22	25
12. Net purchases from trading enterprises	1	1	2	3	4	3	3	2	2	1	1
13. Indirect taxes less subsidies	1	1	1	1	1	1	1	1	1	2	2
14. Rent and interest paid	12	12	12	12	14	16	18	19	20	20	21
15. Claims, pensions, annuities, etc.	18	19	20	21	21	22	23	26	27	28	30
16. Profits	7	8	7	7	8	9	10	11	11	13	13
17. Increase in assurance funds	15	16	17	17	18	20	22	24	27	32	36
18. Total	65	68	70	72	77	83	89	98	107	118	128
RECEIPTS	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
19. Rent and interest received	39	40	41	41	45	49	52	57	61	66	70
20. Premiums, etc.	26	28	29	31	32	34	37	41	46	52	58
21. Total	65	68	70	72	77	83	89	98	107	118	128

Sources: (2) and (3) cited on page 27.

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TABLE 3

Revenue Account of Government

(millions of pounds (A))

	EXPENDITURES	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
22.	Net purchase of goods and services	115	152	263	395	617	567	474	341	258	240	338
	(*a*) Wages, salaries, etc.	58	60	56	60	63	76	75	77	94	113	135
	(*b*) Pay and allowances of members of forces	4	13	56	114	181	195	189	154	31	23	20
	(*c*) Purchases from Australian enterprises	49	67	114	207	354	358	279	165	84	108	162
	(*d*) Payments to rest of world	4	12	37	14	19	—62	—69	—55	49	—4	21
23.	Cash social service benefits	31	31	31	42	47	51	53	67	80	87	103
24.	Deferred pay of members of forces	—	—	—	—	1	5	10	72	14	7	—
25.	Capital transfers	3	1	2	1	1	1	4	4	7	8	7
26.	Interest paid	62	63	65	68	73	79	86	90	93	94	95
27.	Total	211	247	361	506	739	703	627	574	452	436	543
	RECEIPTS	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
28.	Taxation	139	159	198	255	307	325	351	359	397	422	509
	(*a*) Indirect taxes	92	104	113	136	154	153	153	170	217	229	262
	(*b*) Less subsidies	2	3	2	5	5	23	28	38	41	55	41
	(*c*) Direct taxes on persons	33	37	56	77	108	143	166	171	167	178	215
	(*d*) Direct taxes on companies	16	21	31	47	50	52	60	56	54	70	73
29.	Surplus of public authority business undertakings	32	35	39	48	59	56	49	37	25	18	5
30.	Rent and interest received	13	13	14	14	15	16	16	17	18	20	21
31.	Net increase in indebtedness (deficit)	27	40	110	189	358	306	211	161	12	—24	8
32.	Total	211	247	361	506	739	703	627	574	452	436	543

Sources: (2) and (3) cited on page 27.

TABLE 4

Rest of the World Account

(millions of pounds (A))

	EXPENDITURES	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
33.	Exports of merchandise by Australia and gold production	137	168	158	144	125	142	141	163	275	407	536
34.	Payment for other goods and services	17	17	15	17	18	18	20	16	18	22	27
35.	Net increase in indebtedness by Australia	25	25	39	35	17	—84	—80	—49	46	—6	—41
36.	Total	179	210	212	196	160	76	81	130	339	423	522

TABLE 4 *(Continued)*

Rest of the World Account

(millions of pounds (A))

RECEIPTS	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
37. Imports of merchandise by Australia	109	123	102	105	71	69	83	110	208	338	415
38. Net tourist expenditure and private remittances, etc., by Australians	4	1	—	—	1	1	2	5	5	1	–4
39. Net public authority payments (excl. interest) by Australia	4	12	37	14	19	–62	–69	–55	49	–4	21
40. Other payments for goods and services	19	31	30	36	30	27	26	31	38	46	49
41. Public authority interest	27	28	29	28	27	27	26	24	22	21	20
42. Other net rent, interest, etc., payments	1	1	—	—	—	—	—	2	2	3	1
43. Net dividends and undistributed profits	15	14	14	13	12	14	13	13	15	18	20
44. Total	179	210	212	196	160	76	81	130	339	423	522

Sources: (2) and (3) cited on page 27.

TABLE 5

Revenue Account of Persons

(millions of pounds (A))

EXPENDITURES	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
45. Consumption expenditure	667	696	738	787	779	744	762	846	1,008	1,234	1,418
(*a*) Wages, salaries, etc.	13	13	12	11	7	5	6	6	7	8	9
(*b*) Net tourist expenditure and private remittances overseas.	4	1	—	—	1	1	2	5	5	1	–4
(*c*) Cost of personal assurance business	4	4	4	5	6	6	6	7	8	9	10
(*d*) Gross rent of dwellings	92	96	100	104	104	105	105	106	108	111	115
(*e*) Other goods and services	554	582	622	667	661	627	643	722	880	1,105	1,288
46. Direct taxes	33	37	56	77	108	143	166	171	167	178	215
47. Saving through assurance funds.	4	5	5	5	5	6	8	8	11	15	18
48. Saving through marketing authorities	44	57	58	138	259	317	259	21	13	77	–4
49. Other saving								263	115	184	249
50. Total	748	795	857	1,007	1,151	1,210	1,195	1,309	1,314	1,688	1,896

TABLE 5 *(Continued)*

Revenue Account of Persons

(millions of pounds (A))

RECEIPTS	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
51. Wages, salaries, pay of members of forces, etc.	444	461	534	662	769	802	789	788	776	904	1,055
52. Income of unincorporated businesses, farms, professions, etc.	161	187	171	176	207	220	208	245	300	540	580
53. Rent and interest	87	88	90	94	95	99	104	107	112	115	119
54. Dividends	25	28	31	33	32	33	31	30	32	35	39
55. Cash social service benefits	31	31	31	42	47	51	53	67	80	87	103
56. Deferred pay of members of forces					1	5	10	72	14	7	—
57. Total	748	795	857	1,007	1,151	1,210	1,195	1,309	1,314	1,688	1,896

Sources: (2) and (3) cited on page 27.

TABLE 6

Combined Capital Account

(millions of pounds (A))

EXPENDITURES	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
58. Gross private domestic investment	140	150	95	85	30	50	90	205	325	460	400
59. Net increase in indebtedness (deficit) of public authorities	27	40	110	189	358	306	211	161	12	–24	8
60. Total	167	190	205	274	388	356	301	366	337	436	408
RECEIPTS	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
61. Net increase in indebtedness to rest of world	25	25	39	35	17	–84	–80	–49	46	–6	–41
(*a*) Public authorities	2	–3	15	–9	–2	–24	–20	–45	–6	–9	–15
(*b*) Private	–2	39	34	33	32	34	–31	7	37	79	153
(*c*) Decrease in international reserves	25	–11	–10	11	–13	–94	–29	–11	15	–76	–179
62. Public authority capital transfers	3	1	2	1	1	1	4	4	7	8	7
63. Allowances for depreciation, etc.	45	47	50	53	56	57	56	60	64	71	80
64. Increase in assurance funds	15	16	17	17	18	20	22	24	27	32	36
65. Increase in stocks and funds of marketing authorities	..	..	..	..	..	..	..	21	13	77	–4
66. Undistributed profits	35	44	39	30	37	45	40	43	65	70	81
67. Other personal saving	44	57	58	138	259	317	259	263	115	184	249
68. Total	167	190	205	274	388	356	301	366	337	436	408

Sources: (2) and (3) cited on page 27.

AUSTRALIA

TABLE 7

Domestic National Income and Domestic Gross National Product

(millions of pounds (A))

	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948
69. Wages, salaries, military pay, etc.	444	461	534	662	769	802	789	788	776	904	1,055
70. Company income	84	99	108	116	123	135	134	131	155	180	200
71. Surplus of public authority business undertakings	32	35	39	48	59	56	49	37	25	18	5
72. Income of unincorporated businesses, farms, professions, etc. ...	161	187	171	176	207	220	208	245	300	540	580
73. Net rent and interest.....	93	95	97	97	95	96	94	98	102	111	115
74. DOMESTIC NATIONAL INCOME AT FACTOR COST	814	877	949	1,099	1,253	1,309	1,274	1,299	1,358	1,753	1,955
75. Indirect taxes less subsidies.....	90	101	111	131	149	130	125	132	176	174	221
76. Allowances for depreciation, etc...	45	47	50	53	56	57	56	60	64	71	80
77. DOMESTIC GROSS NATIONAL PRODUCT AT MARKET PRICES	949	1,025	1,110	1,283	1,458	1,496	1,455	1,491	1,598	1,998	2,256

Sources: (1) and (2) cited on page 27.

TABLE 8

Domestic Gross National Expenditure

(millions of pounds (A))

	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948
78. Personal expenditure on consumer goods and services.....	667	696	738	787	779	744	762	846	1,008	1,234	1,418
(*a*) Wages and salaries paid....	13	13	12	11	7	5	6	6	7	8	9
(*b*) Gross rent of dwellings.....	92	96	100	104	104	105	105	106	108	111	115
(*c*) Net tourist expenditures, etc.	4	1	—	—	1	1	2	5	5	1	–4
(*d*) Cost of personal assurance business	4	5	6	6	6	7	7	7	8	9	10
(*e*) Other goods and services...	554	581	620	666	661	626	642	722	880	1,105	1,288
79. Government expenditure on goods and services	115	152	263	395	617	567	474	341	258	240	338
(*a*) Administration	24	25	25	27	27	27	29	30	39	50	58
(*b*) Education, health, repatriation, etc.	22	22	23	23	25	26	28	35	54	66	69
(*c*) New works and maintenance	56	55	45	37	28	28	32	46	79	99	137
(*d*) War and defense.....	13	50	170	308	537	486	385	230	86	25	74
80. Expenditure of financial enterprises	9	9	10	10	10	10	10	11	14	16	18
81. Gross private domestic investment	140	150	95	85	30	50	90	205	325	460	400
82. Net exports of goods and services	18	18	4	6	22	125	119	88	–7	48	82
83. DOMESTIC NATIONAL EXPENDITURE AT MARKET PRICES	949	1,025	1,110	1,283	1,458	1,496	1,455	1,491	1,598	1,998	2,256

Sources: (1) and (2) cited on page 27.

NOTES TO TABLES

General note: All figures refer to fiscal years starting 1 July of year stated.

TABLE 1

Item

1. Includes income in kind, public and private employers' contributions to pension and superannuation funds, amounts paid as workers' compensation for injuries, and other supplements to wages.

2. Net of company dividends received; excludes banking companies.

3. The gross revenue less working expenses of all public authority business undertakings other than banks and housing authorities. Working expenses do not include interest and sinking fund changes, loan repayments, financial transfers to governments, and provisions for depreciation, deferred maintenance and accrued leave. All depreciation is assumed to be made good out of current expenditure. Gross revenue does not include transfers from governments.

4. Does not include income in the form of interest and rent, but interest and rent paid are deducted in arriving at net income. Additions to stocks of farm products whether in the hands of farmers or of marketing authorities are included as part of farm income. Increases in funds available in the hands of marketing authorities for distribution to farmers are also included as farm income.

Item

6. Indirect taxes include customs and excise duties, sales tax, flour tax, gold tax, payroll tax, entertainments tax, wool contributory charge, wheat export charge, stamp duty, liquor licenses, lottery taxation, lottery receipts in excess of prize money, motor registration fees, employer contributions to the Queensland Unemployment Insurance Fund, miscellaneous licenses, local authority rates, war damage insurance and fines. Subsidies include payments in connexion with price stabilization, dairy industry, apple and pear industry, wheat acreage restriction, superphosphate, assistance to stock feeders, etc.

7. The financial provisions made for depreciation and maintenance which are deducted to obtain net income. Includes allowances for maintenance of dwellings and amounts received from insurance companies for losses of assets.

9. (*d*) Equals gross private investment, comprising machinery, plant and equipment, motor vehicles (including non-business vehicles), other transport equipment, new building (including building by government housing authorities) and building maintenance, and change in value of stocks, including stocks of marketing authorities.

9. (*e*) Items 33 and 34 less items 37 and 40 of table 4.

TABLE 2

Item

12. Same as item 9 (*a*) of table 1.

13. See note to item 6 of table 1.

16. Consists of the surplus of interest receipts and bank charges over interest payments and administrative expenses for Commonwealth and trading banks, state banks and savings banks. No amount is included for mutual life assurance offices or superannuation funds since the whole surplus of these institutions is credited to assurance funds.

Item

17. Interest earned on assurance funds (part of item 19 below) plus the excess of premiums, superannuation contributions, etc. (item 20 below) over claims, surrenders, refunds, pensions, annuities, etc. (item 15) and the administrative expenses of mutual life assurance offices and superannuation funds (item 45(*c*) of table 5).

20. See note to item 17 above.

TABLE 3

Item

22. Miscellaneous fees for services and proceeds of sales of goods have been deducted.

22. (*b*) Consists of active pay, field allowance, subsistence allowances, dependents' allowances and the value to the members of the forces of food, clothing, normal medical attention, etc., supplied. Deferred pay and war gratuities are excluded.

22. (*d*) Includes overseas war expenditures, relief and rehabilitation contributions, gifts to the United Kingdom, and other expenditure overseas.

23. Cash social service benefits consist of direct payments in cash or its equivalent not made in return for current productive services. Included are invalid, old-age and widows' pensions, maternity allowances, child endowment, relief to unemployed and destitute persons, war pensions, and pharmaceutical and hospital benefits.

Item

25. Capital transfers to persons and business undertakings, including war gratuity, war damage insurance claims, net payments and advances to farmers for drought relief, etc.

26. Gross interest paid on the public debt.

28. (*a*), (*b*) See note to item 6 of table 1.

28. (*c*) Comprises income tax, social services contribution, probate, estate, succession and gift duties, gifts to public authorities and employee contributions to the Queensland Unemployment Insurance Fund.

28. (*d*) Comprises income taxes, undistributed profits tax and war-time (company) tax.

29. See note to item 3 of table 1.

Table 4

Item

33. The value at Australian ports of all exports other than gold and government exports of war material. Includes total value of gold production in Australia (except that part put to industrial uses).

34. Includes overseas freight earnings of Australian ships, expenditure by overseas ships and crews in Australian ports, and other miscellaneous receipts for services.

35. See item 61 of table 6 and notes for details.

37. The f.o.b. value at overseas ports of all imports other than gold and government imports.

Item

38. Includes migrants' funds and household effects, legacies and inheritances, and missionary, charitable and other gifts.

39. See note to item 22 (*d*) of table 3.

40. Freight and insurance on Australian imports, expenditure of Australian ships in overseas ports, business expenses overseas, and other miscellaneous payments for service.

43. Includes that part of undistributed profits which accrues to the benefit of non-resident companies and persons.

Table 5

Item

45. (*a*) Wages of domestic servants, gardeners, etc. plus payment in kind.

45. (*b*) See note to item 38 of table 4.

45. (*c*) The administrative expenses of mutual life assurance offices and superannuation funds.

45. (*d*) Includes gross rental value of owner-occupied dwellings.

45. (*e*) Excludes purchases of new motor vehicles and dwellings.

46. See note to item 28 (*c*) of table 3.

Item

47. Item 20 of table 2 less item 15 of table 2 and 45 (*c*) of table 5.

49. Includes provisions made by persons for tax accruals. Net of payments out of accumulated wealth (e.g., death duties, which are included with direct taxes). A balancing item.

51. See notes to items 1 of table 1 and 22 (*b*) of table 3.

52. See note to item 4 of table 1.

53. Includes net rental value of owner-occupied dwellings. Net rent equals gross rent less the following expenses: repairs, insurance, indirect taxes, costs of rent collection, and allowances for depreciation.

55. See note to item 23 of table 3.

Table 6

Item

58. See note to item 9 (*d*) of table 1.

61. The excess of payments made for goods and services, and interest, rent, dividends and undistributed profits paid abroad over export and other receipts. This may take the form of public authority borrowing less redemptions (61 (*a*)), a decrease in international reserves (61 (*c*)), or an increase in private indebtedness (61 (*b*)).

62. See note to item 25 of table 3.

Item

63. See note to item 7 of table 1.

64. See note to item 17 of table 2.

65. Refers to saving through marketing authorities (see item 48 of table 5). For the years 1938/1939 to 1944/1945, amounts are included in item 67.

66. Item 2 of table 1, plus item 16 of table 2, less items 28 (*d*) of table 3, 43 of table 4 and 54 of table 5.

67. See notes to items 49 of table 5 and 65 of table 6.

Table 7

See notes to corresponding items of previous tables.

Table 8

Item

See notes to corresponding items of previous tables (except for item 79).

79. (*a*) Net expenditure on goods and services not included elsewhere, after deducting miscellaneous receipts such as fees for services provided.

79. (*b*) Net expenditure on goods and services for education, health and hospitals, repatriation of ex-members of forces, and the administrative expenditure of departments administering cash social service benefits.

Item

79. (*c*) Works expenditure from loan funds, revenue expenditure on new works and maintenance of public buildings, roads, etc. Includes capital expenditure of public authority business undertakings but excludes their maintenance expenditure. Excludes advances to settlers, advances for housing and purchase of land, etc., made from loan fund.

79. (*d*) Expenditure on goods and services after deducting fees collected by war departments and disposal of stores, and after adding air raid precautions expenditures. Interest, sinking fund, war pensions, deferred pay and subsidies are excluded.

Source

(1) F. Baudhuin, "Prix, consommation, balance et revenu," *Bulletin de l'Institut de Recherches Economiques et Sociales,* Vol. 15, No. 1, June 1949, pp. 173-196.

The source cited above makes available a breakdown of national income for the year 1948 along lines similar to the breakdowns for 1946 and 1947 published by the author and included in *National Income Statistics of Various Countries, 1938-1947.*[1]

The definition of national income used remains substantially as described in this last volume, but a number of changes have been made. In 1948 subsidies paid to producers were largely replaced by "compensatory payments" by the government to persons in the lower income ranges. These payments have been added to income from occupational activity. As interest on the public debt, old age and war pensions and other items of transfer income are also included among the income shares, a correction is made. It appears, however, that this correction embraces, besides the usual items of transfer income, the "compensatory payments" and subsidies. In 1946 and 1947, transfer payments (and subsidies) were not subtracted, but the aggregate yield of all taxes on incomes was deducted. Consequently, to arrive at the usual definition of national income at factor cost, it is necessary to adjust the 1946 and 1947 figures by adding back direct taxes and subtracting transfer incomes included in the published total, and to adjust the 1948 figure by adding subsidies which were deducted in the correction item.[2]

The following table shows the figures for 1946 and 1947 together with the recently published 1948 figures. Estimates by the same author for 1938, 1939, 1941 and 1943 are shown in the last issue of *National Income Statistics of Various Countries,* but these figures are not comparable with those for later years.

BELGIUM

NATIONAL INCOME AT FACTOR COST

(millions of Belgian francs)

	1946	*1947*	*1948*
1. Incomes from occupational activity			
(*a*) Compensation from private employment			
(i) Wages	54,100	60,400	65,600
(ii) Employers' contributions to social insurance	5,200	10,000	12,200
(iii) Salaries	17,500	23,700	25,000
(iv) Employers' contributions to social insurance	2,000	2,400	3,000
(*b*) Compensation from public employment and railroads			
(i) Central government employees	10,200	12,000	15,000
(ii) Employees of provinces and municipalities		1,250	2,000
(iii) Railroad employees	6,500	8,500	9,500
(*c*) Members of boards of directors, business executives	1,000	1,350	1,800
(*d*) Professions	2,400	2,700	3,200
(*e*) War pensions	—	2,500	3,400
(*f*) Other transfer payments	—	—	6,900
(*g*) Total	98,900	124,800	147,600

[1] There has recently been established an official body for the estimation of national income, but up to the present no official figures have been made public.

[2] Although the author uses "real national income" in his latest publication to designate the total, it should be noted that the income total is a nominal sum and has not been deflated for price changes.

BELGIUM

NATIONAL INCOME AT FACTOR COST *(Continued)*

(millions of Belgian francs)

	1946	1947	1948
2. Mixed incomes			
(*a*) Industrial enterprises	19,000	25,000	27,000
(*b*) Trade and handicrafts	24,000	36,000	38,000
(*c*) Agriculture	17,500	16,000	25,000
(*d*) Irregular activities	25,000	7,000	—
(*e*) Total	85,500	84,000	90,000
3. Income from capital			
(*a*) Real estate	9,500	10,000	11,500
(*b*) Stocks and bonds	5,500	10,750	13,300
(*c*) Undistributed profits of corporations	3,000	3,000	4,000
(*d*) Total	18,000	23,750	28,800
4. Correction	–11,800	–18,000	–22,500
5. NATIONAL INCOME AT FACTOR COST	190,600	214,550	243,900

NOTES TO TABLE

Item

1. (*b*) Includes contributions for social insurance.

1. (*c*) War pensions are not included in the 1946 estimates.

1. (*f*) Old age pensions and payments to persons in the lower income ranges to compensate for the removal of subsidies.

2. (*a*), (*b*), (*c*) Incomes of firms and independent entrepreneurs from transactions at legal prices or revalued at legal prices. Figures include estimated entrepreneurial labour income and income from capital invested in the enterprise.

Item

2. (*d*) Crude estimates of income from sales above legal prices in industry, trade and agriculture, together with income of the diamond industry and realized gains on the clandestine market from gold and foreign exchange transactions.

3. (*b*) Including interest on public debts received by persons.

3. (*d*) Part of the profits shown were earned in the previous year.

4. For 1946 and 1947: taxes on incomes; for 1948: transfer payments to individuals plus subsidies (it appears that the amount deducted for transfer payments exceeds the sum of all transfer items included in the table).

CANADA

Sources

(1) *National Accounts, Income and Expenditure, 1938-1947,* Dominion Bureau of Statistics, Canada, 1948.

(2) *National Accounts, Income and Expenditure, 1941-1948,* Dominion Bureau of Statistics, Canada, 1949.

The National Accounts

The material formerly available in the national income publications of Canada has been considerably elaborated with the introduction in sources (1) and (2) of a system of national accounts summarizing the main transactions of the economy. For this purpose the economy has been divided into four major sectors: the business sector, the personal sector, the government sector, and the non-residents or rest of the world sector. For each of these sectors, a two-sided account summarizing the flow of income or revenue and the flow of expenditures for the years 1938 to 1948

has been made available. In addition, two other accounts relating to the economy as a whole are presented, namely, an investment income appropriation account and a combined capital account. Each expenditure entry in these six accounts corresponds to an equal income or receipts entry elsewhere in the accounts, and the corresponding entries are cross-referenced to facilitate tracing the flow of income and expenditure from one account to another.

The account recording transactions for the business sector, the operating account of business enterprises (table 1), summarizes current business operations of all economic units selling goods and services on a commercial basis, and embraces incorporated and unincorporated private business establishments, farms, landlords (including home owners), self-employed professional persons, and government business enterprises such as the Canadian National Railways. The business operating account is on a consolidated basis in that inter-business transactions on current account are netted out, i.e., purchases by one business from another are eliminated except for purchases on capital account. The receipts side of the account shows sales to resident persons, the government, and Canadian business (on capital account), and sales abroad. The other side shows the expenditure of this revenue on factor costs, other costs (indirect taxes minus subsidies, and depreciation allowances and similar business costs) and on purchases from abroad.

The revenue account of persons (table 2) shows the sources and disposition of current income of households and private non-commercial institutions, such as hospitals and charitable organizations. The receipts side of the account shows all earned and transfer incomes, including income in kind, received by Canadian residents. The expenditure side indicates how much of this personal income is spent on direct taxes, how much is used for the purchase of goods and services or for travel or remittances abroad, and how much is saved. The figures shown for saving in this account are residuals rather than direct estimates.

The revenue account of government (table 3) summarizes the current receipts and payments of the federal, provincial, and municipal governments. On the revenue side are included all taxes, investment income (trading profits and interest on public funds and advances to public utilities), and social insurance contributions, together with the deficit or surplus figures required to bring revenue into balance with expenditures. The expenditure side shows the outlay on goods and services (including government expenditure in connexion with UNRRA, Mutual Aid, etc.), transfer payments, and subsidies. The government deficit or surplus figures given here do not agree with the deficit or surplus figures shown in the usual government accounting statements owing to a number of adjustments that have been made in order to bring the conventional accounting statements into better conformity with the basic definitions underlying the concept of national income. Not only have the federal government accounting statements of fiscal year revenue and expenditure been adjusted to a calendar year basis, but the corporation income and excess profits taxes have been adjusted to an accrual basis to correspond with business practice and maintain consistency with the other accounts (the other revenue figures are primarily on a cash basis). Furthermore, table 3 excludes purely bookkeeping transactions and the purchase and sale of existing capital assets.

The rest of the world account (table 4) shows the transactions between the rest of the world and Canada. Canadian imports (exports) appear as receipts (expenditures), since the account is a statement of receipts and expenditures of non-residents. The receipts side shows receipts of the rest of the world from Canadian business, persons, and government, and the debit or credit on current account; the expenditure side payments by the rest of the world to Canadian business and persons. The debit or credit figures are not identical with the official published figures for the balance of payments on current account because certain adjustments to the receipts and payments have been made to achieve consistency with other component series. Thus, Canadian exports financed by UNRRA contributions, Mutual Aid, and similar official gifts are not included with other exports here.

The investment income appropriation account (table 5) discloses the sources and disposition

of investment income for the entire economy. One side of the account aggregates investment income according to source, the other side indicates the disposition of this income.

The combined capital account (table 6) brings together the elements of private saving and indicates the manner in which private saving is absorbed in gross domestic and net foreign investment and in financing the government deficit. It should be noted that the gross home investment figures include capital investment by government enterprises as well as by private business. General government capital outlays and consumer outlays on durable goods, with the exception of housing, are treated as current expenditures on goods and services.

National Income and Related Aggregates

Tables 7 and 8 show national income at factor cost and gross national product and expenditure at market prices as derived from the accounts. For a concise but fairly detailed description of the concept of national income in use in Canada, the reader may also consult the first volume of *National Income Statistics of Various Countries.*

Table 9, taken from source (2), shows personal consumption expenditures by type for the period 1938 to 1948 classified according to the categories perishable, semi-durable, and durable goods, and services. In addition to cash expenditures, a valuation of income in kind has been included under the respective headings.

Source (2) also makes available for the first time a breakdown of national income by industrial origin covering the years 1944 to 1947 (table 10). Government enterprises are classified by industry along with private business undertakings.

TABLE 1

Operating Account of Business Enterprises

(millions of dollars (C))

RECEIPTS	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
1. Sale to residents											
(*a*) Persons (17*a*)	3,531	3,630	4,169	4,801	5,327	5,585	5,991	6,596	7,593	8,755	9,747
(*b*) Governments (27*a*)	261	263	502	831	2,523	2,220	2,159	1,315	722	716	851
(*c*) Business on capital account											
(i) Housing (53*a*)	129	145	153	163	128	131	157	210	338	492	650
(ii) Plant and equipment (53*b*)	447	409	560	832	803	697	599	672	1,024	1,565	1,926
(iii) Inventories (53*c*)	6	327	371	217	335	—40	—82	—300	467	879	646
2. Sales to non-residents											
(*a*) USA (36*ai*)	637	752	816	1,006	1,366	1,721	1,962	1,684	1,501	1,648	2,186
(*b*) UK and other Empire (36*aii*)	502	496	844	1,316	819	1,558	1,464	1,415	1,090	1,321	1,190
(*c*) Other countries (36*aiii*)	151	146	93	76	70	65	69	401	542	598	591
3. Residual error of estimate	19	9	—26	—33	—171	—175	—209	—219	—25	—39	—42
4. Total	5,683	6,177	7,482	9,209	11,200	11,762	12,110	11,774	13,252	15,935	17,745

EXPENDITURES	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
5. Factor costs											
(*a*) Salaries, wages and supplementary labour income (10*a*)	2,054	2,132	2,472	3,092	3,710	4,161	4,296	4,253	4,576	5,399	6,206
(*b*) Net income of agriculture and other unincorporated business (12)	790	891	991	1,135	1,753	1,659	1,962	1,810	2,156	2,336	2,920
(*c*) Corporation profits (excluding interest and dividends from abroad) (39)	440	587	790	1,094	1,279	1,274	1,181	1,181	1,410	1,796	2,060
(*d*) Other investment income (excluding interest on the public debt) (40)	383	343	497	510	552	597	683	784	711	692	573
6. Other costs											
(*a*) Indirect taxes (22)	699	720	889	1,130	1,180	1,328	1,380	1,269	1,505	1,781	1,808
(*b*) Less subsidies (29)	—62	17	—52	—74	—93	—211	—267	—262	—236	—177	—73
(*c*) Depreciation allowances and similar business costs (50)	560	582	655	751	883	912	863	785	846	1,009	1,085
7. Purchases from non-residents											
(*a*) USA (31*ai*)	519	600	844	1,123	1,396	1,508	1,437	1,335	1,731	2,374	2,219
(*b*) UK and other Empire (31*aii*)	234	230	287	336	301	285	273	283	336	421	558
(*c*) Other countries (31*aiii*)	84	85	84	79	67	73	93	116	192	264	347
8. Residual error of estimate	—18	—10	25	33	172	176	209	220	25	40	42
9. Total	5,683	6,177	7,482	9,209	11,200	11,762	12,110	11,774	13,252	15,935	17,745

Sources: (1) and (2) cited on page 37.

TABLE 2

Revenue Account of Persons

(millions of dollars (C))

RECEIPTS	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
10. Salaries, wages and supplementary labour income											
(*a*) From business (5*a*)	2,054	2,132	2,472	3,092	3,710	4,161	4,296	4,253	4,576	5,399	6,206
(*b*) From government (27*bi*)	326	327	347	366	427	482	508	549	613	658	740
(*c*) From persons (17*b*)	126	124	125	128	114	103	104	113	133	155	167
(*d*) Deduct employer and employee contributions to social insurance and government pension funds (24)	—32	—34	—37	—68	—110	—124	—132	—135	—149	—181	—220
11. Military pay and allowances (27*bii*)	9	32	193	386	641	910	1,068	1,117	340	83	82
12. Net income of agriculture and other unincorporated business (5*b*)	790	891	991	1,135	1,753	1,659	1,962	1,810	2,156	2,336	2,920
13. Interest, dividends and net rental income of persons (44*a*)	520	564	604	627	703	745	795	836	880	1,032	1,127
14. Transfer payments											
(*a*) From governments (excl. interest) (28*b*)	262	249	224	197	226	216	263	552	1,111	848	843
(*b*) Charitable contributions from corporations (44*b*)	5	6	7	10	12	12	11	12	10	15	18
15. Total	4,060	4,291	4,926	5,873	7,476	8,164	8,875	9,107	9,670	10,345	11,883

EXPENDITURES	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
16. Personal direct taxes											
(*a*) Income taxes (20*a*)	62	61	91	239	433	631	772	733	711	694	717
(*b*) Succession duties (20*b*)	33	28	22	30	37	38	40	47	54	61	57
(*c*) Miscellaneous (20*c*)	17	21	23	21	24	28	25	25	32	36	39
17. Purchase of goods and services											
(*a*) From business (1*a*)	3,531	3,630	4,169	4,801	5,327	5,585	5,991	6,596	7,593	8,755	9,747
(*b*) Direct services (10*c*)	126	124	125	128	114	103	104	113	133	155	167
(*c*) Tourist and travel expenditure											
(i) USA (32*ai*)	66	67	40	18	24	34	56	81	130	152	112
(ii) UK and other Empire (32*aii*)	17	13	3	3	2	2	2	2	4	12	16
(iii) Other countries (32*aiii*)	3	1	—	—	—	—	—	—	1	3	4
(*d*) Other expenditure abroad (32*b*)	27	26	42	64	98	145	177	207	91	49	37
18. Personal saving (47)	178	320	411	569	1,417	1,598	1,708	1,303	921	428	987
19. Total	4,060	4,291	4,926	5,873	7,476	8,164	8,875	9,107	9,670	10,345	11,883

Sources: (1) and (2) cited on page 37.

TABLE 3

Revenue Account of Government

(millions of dollars (C))

RECEIPTS	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
20. Direct taxes—persons											
(*a*) Income tax (16*a*)	62	61	91	239	433	631	772	733	711	694	717
(*b*) Succession duties (16*b*)	33	28	22	30	37	38	40	47	54	61	57
(*c*) Miscellaneous (16*c*)	17	21	23	21	24	28	25	25	32	36	39
21. Direct taxes—corporations											
(*a*) Income and excess profits taxes (44*c*)	92	112	324	515	629	642	603	603	670	724	743
(*b*) Withholding taxes (44*d*)	10	11	13	24	29	27	27	29	29	35	41
22. Indirect taxes (6*a*)	699	720	889	1,130	1,180	1,328	1,380	1,269	1,505	1,781	1,808
23. Investment income											
(*a*) Interest (44*f*)	76	77	76	83	95	106	113	128	133	130	149
(*b*) Trading profits (44*e*)	—1	22	66	106	151	218	231	265	243	215	187
24. Employer and employee contributions to Social Insurance and Government Pension Funds (10*d*)	32	34	37	68	110	124	132	135	149	181	220
25. Deficit (+) or surplus (—) (on transactions relating to the national accounts) (55)	166	42	62	—14	1,647	1,817	2,601	1,692	125	—816	—818
26. Total	1,186	1,128	1,603	2,202	4,335	4,959	5,924	4,926	3,651	3,041	3,143

EXPENDITURES	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
27. Purchase of goods and services											
(*a*) From business (1*b*)	261	263	502	831	2,523	2,220	2,159	1,315	722	716	851
(*b*) Direct services											
(i) Salaries and wages (10*b*)	326	327	347	366	427	482	508	549	613	658	740
(ii) Military pay and allowances (11)	9	32	193	386	641	910	1,068	1,117	340	83	82
(iii) Interest (41*a*)	99	102	101	109	109	109	103	111	99	94	95
(*c*) Direct military expenditure abroad (excluding military pay) (all countries) (33*a*)	—	—	13	58	117	550	1,237	618	74	—	—
28. Transfer payments											
(*a*) Interest (41*b*)	167	172	171	181	199	261	319	402	456	465	459
(*b*) Other (14*a*)	262	249	224	197	226	216	263	552	1,111	848	843
29. Subsidies (6*b*)	62	—17	52	74	93	211	267	262	236	177	73
30. Total	1,186	1,128	1,603	2,202	4,335	4,959	5,924	4,926	3,651	3,041	3,143

Sources: (1) and (2) cited on page 37.

TABLE 4

Rest of the World Account

(millions of dollars (C))

RECEIPTS	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
31. Receipts from business											
(*a*) Other than interest and dividends											
(i) USA (7*a*)	519	600	844	1,123	1,396	1,508	1,437	1,335	1,731	2,374	2,219
(ii) UK and other Empire (7*b*)	234	230	287	336	301	285	273	283	336	421	558
(iii) Other countries (7*c*)	84	85	84	79	67	73	93	116	192	264	347
(*b*) Interest and dividends											
(i) USA (45*ai*)	168	169	178	160	162	148	144	129	189	222	218
(ii) UK and other Empire (45*aii*)	63	61	60	56	44	45	49	48	49	49	47
(iii) Other countries (45*aiii*)	6	6	4	4	4	3	3	3	5	7	5
32. Receipts from persons											
(*a*) Tourist and travel expenditure											
(i) USA (17*ci*)	66	67	40	18	24	34	56	81	130	152	112
(ii) UK and other Empire (17*cii*)	17	13	3	3	2	2	2	2	4	12	16
(iii) Other countries (17*ciii*)	3	1	—	—	—	—	—	—	1	3	4
(*b*) All other receipts (all countries) (17*d*)	27	26	42	64	98	145	177	207	91	49	37
33. Receipts from government											
(*a*) Direct military expenditure (excluding military pay) (all countries) (27*c*)	—	—	13	58	117	550	1,237	618	74	—	—
(*b*) Interest											
(i) USA (45*bi*)	50	51	55	54	53	57	59	63	61	52	49
(ii) UK and other Empire (45*bii*)	20	19	16	12	7	7	7	6	6	5	4
(iii) Other countries (45*biii*)	—	—	—	—	—	1	2	2	2	2	2
34. Net debit (+) or credit (—) on current account											
(*a*) USA (54*a*)	—148	—115	—280	—318	—232	—162	—	38	—595	—1,126	—381
(*b*) UK and other Empire (54*b*)	171	176	444	805	269	713	45	379	621	834	569
(*c*) Other countries (54*c*)	76	62	15	4	10	—6	—18	270	306	309	231
35. Total	1,356	1,451	1,805	2,458	2,322	3,403	3,566	3,580	3,203	3,629	4,037

EXPENDITURES	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
36. Payments to business											
(*a*) Payments other than interest and dividends											
(i) USA (2*a*)	637	752	816	1,006	1,366	1,721	1,962	1,684	1,501	1,648	2,186
(ii) UK and other Empire (2*b*)	502	496	844	1,316	819	1,558	1,464	1,415	1,090	1,321	1,190
(iii) Other countries (2*c*)	151	146	93	76	70	65	69	401	542	598	591
(*b*) Interest and dividends (all countries) (42*a*)	37	31	24	30	38	28	40	45	40	32	43
37. Payments to persons											
(*a*) Interest and dividends (all countries) (42*b*)	29	26	28	30	29	31	31	35	30	30	27
38. Total	1,356	1,451	1,805	2,458	2,322	3,403	3,566	3,580	3,203	3,629	4,037

Sources: (1) and (2) cited on page 37.

CANADA

TABLE 5

Investment Income Appropriation Account

(millions of dollars (C))

RECEIPTS	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
39. Corporation profits (excluding interest and dividends from abroad) (5*c*)	440	587	790	1,094	1,279	1,274	1,181	1,181	1,410	1,796	2,060
40. Other investment income (excluding interest on the public debt) (5*d*)	383	343	497	510	552	597	683	784	711	692	573
41. Interest on the public debt											
(*a*) Portion included in national income (27*b*iii)	99	102	101	109	109	109	103	111	99	94	95
(*b*) Transfer portion (28*a*)	167	172	171	181	199	261	319	402	456	465	459
42. Interest and dividends from non-residents received by											
(*a*) Corporations (36*b*)	37	31	24	30	38	28	40	45	40	32	43
(*b*) Persons (37)	29	26	28	30	29	31	31	35	30	30	27
43. Total	1,155	1,261	1,611	1,954	2,206	2,300	2,357	2,558	2,746	3,109	3,257

EXPENDITURES	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
44. To Canadian residents											
(*a*) Interest, dividends and net rental income of persons (13)	520	564	604	627	703	745	795	836	880	1,032	1,127
(*b*) Charitable contributions from corporations (14*b*)	5	6	7	10	12	12	11	12	10	15	18
(*c*) Corporation income and excess profits taxes (21*a*)	92	112	324	515	629	642	603	603	670	724	743
(*d*) Withholding taxes (21*b*)	10	11	13	24	29	27	27	29	29	35	41
(*e*) Government trading profits (23*b*)	—1	22	66	106	151	218	231	265	243	215	187
(*f*) Government interest revenue (23*a*)	76	77	76	83	95	106	113	128	133	130	149
(*g*) Undistributed corporation profits (48*a*)	131	219	172	304	377	365	334	372	440	602	827
(*h*) Undistributed Wheat Board trading profits (48*b*)	—	—	—	6	3	57	—19	64	37	37	—156
(*i*) Inventory revaluation adjustment (49)	15	—56	36	—7	—63	—133	—2	—2	—8	—18	—4
45. To non-residents, interest and dividends received from											
(*a*) Business											
(i) USA (31*b*i)	168	169	178	160	162	148	144	129	189	222	218
(ii) UK and other Empire (31*b*ii)	63	61	60	56	44	45	49	48	49	49	47
(iii) Other countries (31*b*iii)	6	6	4	4	4	3	3	3	5	7	5
(*b*) Government											
(i) USA (33*b*i)	50	51	55	54	53	57	59	63	61	52	49
(ii) UK and other Empire (33*b*ii)	20	19	16	12	7	7	7	6	6	5	4
(iii) Other countries (33*b*iii)	—	—	—	—	—	1	2	2	2	2	2
46. Total	1,155	1,261	1,611	1,954	2,206	2,300	2,357	2,558	2,746	3,109	3,257

Sources: (1) and (2) cited on page 37.

TABLE 6

Combined Capital Account

(millions of dollars (C))

RECEIPTS	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
47. Personal saving (18)	178	320	411	569	1,417	1,598	1,708	1,303	921	428	987
48. Business saving											
(*a*) Undistributed corporation profits (44*g*)	131	219	172	304	377	365	334	372	440	602	827
(*b*) Undistributed Wheat Board trading profits (44*h*)	—	—	—	6	3	57	—19	64	37	37	—156
49. Inventory revaluation adjustment (44*i*)	15	—56	36	—7	—63	—133	—2	—2	—8	—18	—4
50. Depreciation allowances and similar business costs (6*c*)	560	582	655	751	883	912	863	785	846	1,009	1,085
51. Residual error of estimate	—18	—10	25	33	172	176	209	220	25	40	42
52. Total	866	1,055	1,299	1,656	2,789	2,975	3,093	2,742	2,261	2,098	2,781
EXPENDITURES	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
53. Gross home investment											
(*a*) Housing (1*ci*)	129	145	153	163	128	131	157	210	338	492	650
(*b*) Plant and equipment (1*cii*)	447	409	560	832	803	697	599	672	1,024	1,565	1,926
(*c*) Inventories (1*ciii*)	6	327	371	217	335	—40	—82	—300	467	879	646
54. Net foreign investment											
(*a*) USA (34*a*)	—148	—115	—280	—318	—232	—162	—	38	—595	—1,126	—381
(*b*) UK and other Empire (34*b*)	171	176	444	805	269	713	45	379	621	834	569
(*c*) Other countries (34*c*)	76	62	15	4	10	—6	—18	270	306	309	231
55. Government deficit (+) or surplus (—) (25)	166	42	62	—14	1,647	1,817	2,601	1,692	125	—816	—818
56. Residual error of estimate	19	9	—26	—33	—171	—175	—209	—219	—25	—39	—42
57. Total	866	1,055	1,299	1,656	2,789	2,975	3,093	2,742	2,261	2,098	2,781

Sources: (1) and (2) cited on page 37.

TABLE 7

National Income and Gross National Product

(millions of dollars (C))

	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948
58. Salaries and wages	2,506	2,583	2,944	3,586	4,251	4,746	4,908	4,915	5,322	6,212	7,113
(*a*) From business	2,054	2,132	2,472	3,092	3,710	4,161	4,296	4,253	4,576	5,399	6,206
(*b*) From government	326	327	347	366	427	482	508	549	613	658	740
(*c*) From persons	126	124	125	128	114	103	104	113	133	155	167
59. Military pay and allowances	9	32	193	386	641	910	1,068	1,117	340	83	82
60. Investment income	681	783	1,127	1,487	1,737	1,778	1,774	1,905	1,978	2,307	2,473
(*a*) Total	1,155	1,261	1,611	1,954	2,206	2,300	2,357	2,558	2,746	3,109	3,257
(*b*) *Less:* Interest and dividends to non-residents	—307	—306	—313	—286	—270	—261	—264	—251	—312	—337	—325
(*c*) *Less:* Transfer interest on public debt	—167	—172	—171	—181	—199	—261	—319	—402	—456	—465	—459
61. Net income of agriculture and other unincorporated business	790	891	991	1,135	1,753	1,659	1,962	1,810	2,156	2,336	2,920
62. NET NATIONAL INCOME AT FACTOR COST	3,986	4,289	5,255	6,594	8,382	9,093	9,712	9,747	9,796	10,938	12,588
63. Indirect taxes less subsidies	637	737	837	1,056	1,087	1,117	1,113	1,007	1,269	1,604	1,735
64. Depreciation allowances and similar business costs	560	582	655	751	883	912	863	785	846	1,009	1,085
65. Residual error of estimates	—18	—10	25	33	172	176	209	220	25	40	42
66. GROSS NATIONAL PRODUCT AT MARKET PRICES	5,165	5,598	6,772	8,434	10,524	11,298	11,897	11,759	11,936	13,591	15,450

Sources: (1) and (2) cited on page 37.

TABLE 8

Gross National Expenditure

(millions of dollars (C))

	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948
67. Personal expenditure on consumer goods and services	3,770	3,861	4,379	5,014	5,565	5,869	6,330	6,999	7,952	9,126	10,083
(*a*) Purchases from business	3,531	3,630	4,169	4,801	5,327	5,585	5,991	6,596	7,593	8,755	9,747
(*b*) Purchases of direct services	126	124	125	128	114	103	104	113	133	155	167
(*c*) Purchases from non-residents	113	107	85	85	124	181	235	290	226	216	169
68. Government expenditure on goods and services	695	724	1,156	1,750	3,817	4,271	5,075	3,710	1,848	1,551	1,768
(*a*) Purchases from business	261	263	502	831	2,523	2,220	2,159	1,315	722	716	851
(*b*) Salaries and wages	326	327	347	366	427	482	508	549	613	658	740
(*c*) Military pay and allowances	9	32	193	386	641	910	1,068	1,117	340	83	82

TABLE 8 *(Continued)*

Gross National Expenditure

(millions of dollars (C))

	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948
(*d*) Interest	99	102	101	109	109	109	103	111	99	94	95
(*e*) Direct military expenditure abroad	—	—	13	58	117	550	1,237	618	74	—	—
69. Gross home investment	582	881	1,084	1,212	1,266	788	674	582	1,829	2,936	3,222
(*a*) Housing	129	145	153	163	128	131	157	210	338	492	650
(*b*) Plant and equipment	447	409	560	832	803	697	599	672	1,024	1,565	1,926
(*c*) Inventories	6	327	371	217	335	—40	—82	—300	467	879	646
70. Exports of goods and services	1,356	1,451	1,805	2,458	2,322	3,403	3,566	3,580	3,203	3,629	4,037
(*a*) Payments to Canadian business	1,327	1,425	1,777	2,428	2,293	3,372	3,535	3,545	3,173	3,599	4,010
(*b*) Payments to persons	29	26	28	30	29	31	31	35	30	30	27
71. Imports of goods and services	—1,257	—1,328	—1,626	—1,967	—2,275	—2,858	—3,539	—2,893	—2,871	—3,612	—3,618
(*a*) Receipts from Canadian business	—1,074	—1,151	—1,457	—1,758	—1,974	—2,062	—1,999	—1,914	—2,502	—3,337	—3,394
(*b*) Receipts from persons	—113	—107	—85	—85	—124	—181	—235	—290	—226	—216	—169
(*c*) Receipts from government	—70	—70	—84	—124	—177	—615	—1,305	—689	—143	—59	—55
72. Residual error of estimate	19	9	—26	—33	—171	—175	—209	—219	—25	—39	—42
73. GROSS NATIONAL EXPENDITURE AT MARKET PRICES	5,165	5,598	6,772	8,434	10,524	11,298	11,897	11,759	11,936	13,591	15,450

Sources: (1) and (2) cited on page 37.

TABLE 9

Personal Consumption Expenditures on Goods and Services

(millions of dollars (C))

	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948
1. Goods											
(*a*) Perishable goods											
(i) Food	907	913	1,058	1,306	1,558	1,715	1,844	1,970	2,107	2,481	2,796
(ii) Tobacco and alcoholic beverages	266	281	327	388	472	534	565	699	828	886	941
(iii) Drugs and cosmetics	65	67	75	90	103	114	124	133	150	163	197
(iv) Soap and cleaning supplies	50	50	57	68	79	86	92	100	113	136	151
(v) Stationery, books, magazines, flowers and bulbs	48	51	54	58	64	71	76	82	93	100	110
(vi) Gasoline and lubricants	112	121	133	159	120	96	96	117	215	252	305
(vii) Fuel	157	161	168	172	189	232	227	239	261	287	355
Sub-total	1,605	1,644	1,872	2,241	2,585	2,848	3,024	3,340	3,767	4,305	4,855

TABLE 9 *(continued)*

Personal Consumption Expenditures on Goods and Services

(millions of dollars (C))

	1938	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
(*b*) Semi-durable goods											
(i) Clothing	405	428	523	645	787	829	876	959	1,044	1,178	1,325
(ii) House furnishings	31	31	39	44	46	45	51	59	81	101	107
(iii) Automotive accessories	46	49	57	65	61	65	81	100	137	151	154
Sub-total	482	508	619	754	894	939	1,008	1,118	1,262	1,430	1,586
(*c*) Durable goods											
(i) Automobiles	88	81	96	91	20	1	3	5	101	237	232
(ii) Furniture	46	47	59	66	69	67	75	87	120	155	169
(iii) Household appliances and hardware	92	92	112	121	116	100	104	124	205	289	348
(iv) Jewellery	23	25	32	38	43	49	56	64	73	70	71
Sub-total	249	245	299	316	248	217	238	280	499	751	820
(*d*) Miscellaneous	45	45	63	77	93	92	98	110	129	152	190
Sub-total, goods	2,381	2,442	2,853	3,388	3,820	4,096	4,368	4,848	5,657	6,638	**7,451**
2. Services											
(*a*) Attire and personal appearance	66	69	80	95	110	116	125	136	157	181	207
(*b*) Transportation—user operated	40	44	46	51	45	41	48	55	78	94	111
(*c*) Transportation—purchased	100	104	111	130	171	213	227	242	266	274	285
(*d*) Household operations and utilities	727	739	772	804	813	812	826	851	887	948	1,020
(*e*) Communications	52	55	58	66	73	84	88	92	100	108	116
(*f*) Medical care and death expenses	158	160	170	182	186	197	213	242	286	328	371
(*g*) Education	32	33	34	34	35	36	37	38	46	60	65
(*h*) Recreation	56	58	64	76	88	100	101	106	115	123	125
(*i*) Miscellaneous services	211	213	227	245	257	273	291	313	371	413	458
Sub-total, services	1,442	1,475	1,562	1,683	1,778	1,872	1,956	2,075	2,306	2,529	2,758
3. Net personal expenditure abroad	—53	—56	—36	—57	—33	—99	6	76	—11	—41	—126
4. Total personal consumption expenditures	3,770	3,861	4,379	5,014	5,565	5,869	6,330	6,999	7,952	9,126	10,083

TABLE 10

National Income by Industrial Origin

(millions of dollars (C))

	1944	*1945*	*1946*	*1947*
1. Agriculture	1,348	1,177	1,346	1,417
2. Forestry	133	157	199	260
3. Fishing, hunting and trapping	55	62	77	43
4. Mining	279	285	302	364
5. Manufacturing	2,858	2,641	2,683	3,306
6. Construction	233	293	430	557
7. Transportation, communication and storage	981	1,002	1,028	1,101
8. Wholesale trade	353	380	456	551
9. Retail trade	728	821	961	1,113
10. Finance, insurance and real estate	605	609	646	710
11. Service	643	701	846	944
12. Government	1,680	1,779	1,053	836
13. Rest of the world	—184	—160	—231	—264
14. NATIONAL INCOME AT FACTOR COST	9,712	9,747	9,796	10,938

Source: (2) cited on page 37.

NOTES TO TABLES

TABLE 1

Item

1. (*a*) Includes all personal expenditure on consumer goods and services except personal expenditure abroad and personal expenditure for direct services such as domestic help, neither of which is purchased from Canadian business. Expenditure by persons on consumer durables such as automobiles and refrigerators is included but purchase of houses is excluded.

   (*b*) This category embraces all government expenditure on goods and services except salaries and wages, military pay and allowances, interest on government debt incurred to finance existing real assets, and government direct military expenditure abroad. Salaries, wages, military pay, and direct military expenditure abroad are excluded because the purchase is not made from Canadian business; interest is excluded because the business operating account does not include investment income received from other sectors. Government expenditure abroad for official travel, maintenance of embassies, etc., should be excluded. It was not feasible to make this adjustment which is known to be relatively small. Government expenditure for gifts abroad (mutual aid, UNRRA and military relief) is included here.

   (*c*) All expenditure in Canada on new plant, equipment, housing and inventories by private or government business enterprises and home owners is included here. (The total of these items is called gross home investment.) Government expenditure on roads, public buildings and other new durable assets (other than expenditure by government business enterprises) is not included here but appears in government expenditure on goods and services, item 27. An estimate of capital expenditure charged to current account is included with plant and equipment (see item 6(*c*)). An inventory revaluation adjustment has been made for grain held in commercial channels (see item 44(*i*)).

Item

2. This item includes all Canadian credits on current international account except interest and dividends received from abroad. The assumption is made that all exports of goods and services are made by business, in order to avoid adjustments which are not of sufficient practical importance to warrant additional complication of the accounts. Interest and dividends received from abroad are excluded because table 1 is an operating account.

4. Sales by one Canadian business to another, other than sales on capital account, do not appear as such in this consolidated table. If these inter-business transactions were shown, the same amount would appear on both sides of the account and items 4 and 9 would be correspondingly larger.

5. (*a*) Includes salaries, wages and supplementary labour income paid to resident Canadians (or those temporarily abroad) by incorporated and unincorporated private businesses, independent professionals, and government business enterprises. Salaries and wages include bonuses and commissions and are reckoned before deduction of income taxes and employee contributions to pension and social security funds. Supplementary labour income consists of employers' contributions (in cash or in kind) that are regarded as payment for employees' services, e.g., employer contributions to pensions, living allowances, etc. Theoretically, payments of salaries and wages to non-residents should also be included here, but it is not yet feasible to do so, and the amount involved is believed to be relatively small. Accord-

Item

ingly, salaries and wages paid to non-residents are included with item 7 below.

(*b*) This includes the net income of unincorporated businesses, independent professionals, and of farm operators from current farm production. Earnings from sources other than their own businesses appear under other headings. The figures are calculated before income and excess profits taxes.

(*c*) Corporation profits are reckoned before deduction of income and excess profits taxes, depletion allowances and charitable donations. All non-operating revenue should be excluded from this item but in practice it is possible to exclude only interest and dividends from abroad. The figures are adjusted for corporation losses, re-negotiation of war contracts and conversion to a calendar year basis. (For the total of corporation profits inclusive of interest and dividends received from abroad see table 5.)

(*d*) This item is obtained by taking the sum of interest and net rents received by persons, investment income of life insurance companies and similar bodies accruing on behalf of Canadian policyholders, undistributed Wheat Board profits, and trading profits of government business enterprises; and deducting all interest on government debt, including interest on debt incurred to finance existing real assets. Interest and dividends received from abroad by persons are omitted. The inventory revaluation adjustment on grain held in commercial channels is included here. See item 44 (*i*).

Item

6. (*a*) Indirect taxes represent a part of the market prices of goods and services which does not appear in factor costs. In contrast to direct taxes which are levied on net income, indirect taxes are deductible from gross revenue as business costs, e.g., real property taxes, excise and sales taxes.

(*b*) Subsidies represent amounts contributed by government toward current costs of production. Accordingly, they are treated as offsets to indirect taxes collected by government.

(*c*) Business accounting depreciation allowances are used as a basis for calculating depreciation on plant, equipment and machinery. Depreciation on residential property is calculated as a percentage of gross rents. Losses by fires and accidental damage to business and residential property, and an estimate of capital expenditure charged to current account are also included here.

7. Includes all Canadian debits on current international account exclusive of interest and dividends paid abroad, tourist and travel expenditure, expenditure by Canadian service men abroad, personal remittances abroad, and government military expenditure abroad. See also item 1 (*b*) re government expenditure abroad, and item 17 (*c*) re personal expenditure abroad.

9. See item 4.

TABLE 2

Item

10. (*a*) See item 5 (*a*).

(*b*) See item 27 (*bi*).

(*c*) Includes wages of domestic servants and salaries and wages paid by private non-commercial institutions. In addition, it includes salaries and wages of certain government non-commercial institutions, namely municipal hospitals and provincial universities. See item 27 (*bi*).

(*d*) Employer and employee contributions to social insurance and government pension funds are earnings of persons not available to them in the year in which the contributions are made. They are, therefore, deducted in this account. The outpayments of these funds, however, are disposable to persons in the year in which they are made and they appear under transfer income, item 14 (*a*). In a closely related case, however, that of employer and employee contributions to private pension funds, it is preferable to treat the contributions as elements of current personal income, and payments from the funds as interpersonal transfers which cancel out in this account. The present alternative would be to include these transactions with the business sector.

11. In addition to cash payments this item includes estimates for food and clothing supplied in kind.

12. Includes the whole of net income of unincorproated business. It would be preferable to separate withdrawals for personal use from earnings retained in the business and to include only the former part here, but this is not statistically possible.

13. This item can be obtained from "other investment income", item 5 (*d*), by adding interest and dividends received by persons from abroad, dividends received by persons from Canadian corporations, and interest on public debt; and substracting interest paid abroad, undistributed Wheat Board trading profits, government trading profits, and the inventory revaluation adjustment.

14. (*a*) Includes elements of personal income which

Item

are not earnings from productive services, e.g., family allowances, old age pensions, veterans' gratuities, grants to private non-commercial institutions, outpayments of social security and government pension funds. See also item 10 (*d*).

(*b*) Charitable donations by corporations are treated as transfers from the business sector to the personal sector.

16. (*a*) In addition to personal income taxes this item includes excess profits taxes paid by unincorporated businesses.

(*c*) Includes motor vehicle licenses, radio licenses, marriage licenses, fines and penalties, etc., paid by persons.

17. (*a*) See item 1 (*a*).

(*b*) See item 10 (*c*).

(*c*) The figures of "tourist and travel expenditure" as published in the Canadian Balance of International Payments are used provisionally to represent total personal expenditure abroad, exclusive of personal remittances abroad and expenditure by Canadian service men abroad. On the one hand, this procedure fails to take account of certain elements of personal expenditure abroad, such as mail order purchases, which are not included in the total of tourist expenditure; on the other hand, it includes certain elements of business and government expenditure abroad which should be excluded. It is not possible at the present time to make satisfactory adjustments for these factors. See also items 1 (*b*) and 7.

(*d*) Includes personal remittances abroad and expenditure by Canadian service men abroad.

18. This item is estimated residually by deducting from personal income the sum of personal direct taxes and personal expenditure on consumer goods and services. The figure includes the net change in farm inventories as well as the refundable portion of income and personal excess profits taxes.

Table 3

Item

20. (*a*) See item 16 (*a*).

    (*c*) See item 16 (*c*).

21. (*a*) Includes corporate income and excess profits taxes on an accrual basis. The refundable portion of the excess profits tax is excluded. Adjustments have been made for renegotiation of war contracts and conversion to a calendar year basis.

    (*b*) These are taxes on interest, dividends, rents and royalties paid to non-residents.

22. See item 6 (*a*).

23. (*a*) Includes interest on advances to public utilities and earnings of sinking funds and other public funds such as social security and pension funds. See also item 28 (*a*).

    (*b*) Includes net profits of government business enterprises such as Canadian National Railways, provincial public utilities, etc.

24. See item 10 (*d*).

25. This is not the conventional budgetary deficit or surplus since government revenue and expenditure are adjusted to conform with the basic definitions incorporated in the National Accounts. See introductory note to table 3.

27. (*a*) See item 1 (*b*).

    (*bi*) Includes salaries, wages and supplementary labour income paid by government, other than government business enterprises. Salaries and wages of certain non-commercial institutions, viz. municipal hospitals and provincial universities are excluded. Salaries and wages paid by government business enterprises are included under 5 (*a*) and salaries and wages of the above government non-commercial institutions under 10 (*c*).

    (*bii*) See item 11.

    (*biii*) Interest on the public debt is divided into two parts. Interest on that portion of the public debt incurred to finance existing real assets forms part of national income and is included here. Interest on the other portion of the public debt is treated as a transfer payment and appears under item 28 (*a*) below.

    (*c*) This item includes expenditure for the maintenance of Canadian armed forces abroad, (exclusive of military pay and allowances which are included under 27 (*bii*) above), and purchase of military equipment and facilities from other countries.

28. (*a*) This is interest on that portion of the public debt not incurred to finance existing real assets. This figure is gross and consequently it is necessary to deduct interest revenue, item 23 (*a*), to approximate the net transfer to the private sectors. See also items 23 (*a*) and 27 (*biii*) above.

    (*b*) See item 14 (*a*).

29. See item 6 (*b*).

Table 4

Item

31. (*a*) See item 7.

    (*b*) Includes payment of interest and dividends after deduction of withholding taxes.

32. See items 17 (*c*) and 17 (*d*).

33. (*a*) See item 27 (*c*).

34. These figures differ from those shown in the Canadian Balance of International Payments, Dominion Bureau of Statistics, 1948, because adjustments have been made to the receipts and payments figures to achieve consistency with other component series.

36. (*a*) See item 2.

    (b) Includes interest and dividends received by Canadian corporations from abroad.

37. Includes interest and dividends received by persons (including unincorporated business) from abroad.

Table 5

Item

39. To obtain the total of corporation profits before taxes add items 39 and 42 (*a*).

40. See item 5 (*d*).

41. See items 27 (*b*iii) and 28 (*a*).

42. See items 36 (*b*) and 37.

44. (*a*) See item 13.

    (*b*) See item 14 (*b*).

    (*c*) See item 21 (*a*).

    (*d*) See item 21 (*b*).

    (*e*) See item 23 (*b*).

    (*f*) See item 23 (*a*).

(*i*) An inventory revaluation adjustment has been made only for grain held in commercial channels. The adjustment has been made in order to exclude from current year's income any capital gains or losses resulting from price changes of stocks carried over from previous years' production. Such capital gains or losses are excluded by definition from national income. In the case of inventories held on the farm a specific adjustment is unnecessary as farm income is calculated in such a way as to exclude automatically inventory profits or losses. Adequate information is not yet available to make similar adjustments to inventories other than grain.

45. (*a*) See item 31 (*b*).

TABLE 6

Item

47. See item 18.

49. See item 44 (*i*).

50. See item 6 (*c*).

Item

53. See item 1 (*c*).

55. See item 25.

TABLES 7, 8

See notes to corresponding items of preceding tables.

TABLE 9

Item

1. (*a*) (i) Includes meals purchased in restaurants.

   (*a*) (iii) Includes toilet articles and optical goods.

   (*b*) (i) Includes dry goods and men's, women's, and children's apparel.

   (*b*) (ii) Includes draperies, linens, etc., but excludes furniture.

   (*b*) (iii) Includes parts, accessories, storage batteries, tires and tubes.

   (*c*) (iii) Includes stoves, gas and electric appliances, and musical instruments.

   (*d*) Includes items not specified elsewhere, and taxes paid at retail which are not included in the selling price of the goods.

2. (*a*) Includes barber shop and beauty parlour services, cleaning, dyeing, pressing and repair of clothing, etc.

   (*c*) Includes expenditures by persons on steam and electric railways, buses, taxis, motor carriers, etc.

   (*d*) The main components of this item are paid rents and imputed rents of owner-occupied houses, electricity, gas, domestic service.

Item

(*e*) Includes expenditures by persons on telephone, telegraph, cable, wireless, and postage.

(*f*) The major components of this item are medical and dental care, private duty nursing, operating expenses of hospitals other than government-owned hospitals, and funeral and burial services.

(*g*) Includes operating expenses of universities and private schools.

(*h*) Includes motion picture theatres and all other taxed amusements, billiard parlour and bowling alley services, photographic services, etc.

(*i*) The main services included here are personal insurance, financial and legal services, hotel rooms, board and lodging, and services of charitable and religious institutions.

3. Includes the expenditures of Canadian tourists and service men abroad, gifts in kind abroad and personal remittances abroad, less expenditures in Canada of tourists and foreign service men, and personal remittances to Canada. This adjustment is necessary in order to relate the expenditure figures to Canadian personal income.

TABLE 10

Item

7. Includes all public utilities.

Item

12. Excludes government business enterprises.

CEYLON

Source

(1) Memoranda submitted by the Department of Census and Statistics, Colombo, January and April 1949.

Revised estimates for the years 1944 and 1947 have recently been made public. These figures are for taxable national income, i.e., they include not only income such as interest, dividends and profits received from abroad, but also such income payable abroad. The figures for both years are gross of depreciation of agricultural and certain other equipment, and are given on a factor cost basis of valuation.[1] It is stated that the total depreciation of agricultural and other plant and equipment employed in the export industries does not exceed one per cent of the annual value of exports.

The figure for gross taxable national income for 1944 has been arrived at by the net output method. Where gross output and purchases from other industries were not known, estimates were made of income originating in an industry by multiplying the number of persons engaged in the industry by probable average earnings. Figures for the export industries (tea, rubber, etc.) include the value of transport and certain other services rendered by domestic industries. To avoid double-counting, deductions for these services were made where necessary in computing value added in other industries. The net output of public enterprises is shown under government rather than under the relevant industry headings. The figure shown for rents of land and buildings is the total rental value of all such property located in towns. Rents paid in villages have been neglected, but it is claimed that this is largely offset by the fact that certain town rents have been included twice, i.e., in the figure for rents of land and buildings and in the net output of those industries using town property. Presumably the rental value of owner-occupied town residences has been included.

Gross taxable national income for 1947 was also established by the procedure outlined above. In addition, more or less independent estimates for this year were made by two other methods: aggregation of incomes and aggregation of consumption expenditures and investment. These three approaches lead to slightly different results, but the figure reached by the net output method appears to be considered the most reliable one.

[1] Estimates of domestic net national income by industries for the years 1938, 1942, 1943, 1944 and 1947 were published in the preceding volume of *National Income Statistics of Various Countries*. A recent communication by the Department of Census and Statistics gives a preliminary figure for gross taxable national income for 1948 of 2,272 million rupees.

CEYLON

Gross Taxable National Income at Factor Cost

(millions of rupees)

	1947
1. Income subject to tax	450
2. Wages in the three main industries	
(*a*) Tea	225
(*b*) Rubber	70
(*c*) Coconut	50
	345
3. Other incomes	1,152
4. Gross taxable national income	1,947

	1944		1947	
5. Exports				
(*a*) Tea	320		567	
(*b*) Rubber	223		137	
(*c*) Coconut	53		103	
(*d*) Other	21		85	
(*e*) Less imported materials	62	555	90	802
6. Locally produced articles consumed in Ceylon				
(*a*) Rice	75		85	
(*b*) Coconut products	64		127	
(*c*) Tea	25		24	
(*d*) Other	207	371	207	443
7. Trade		160		160
8. Transport		50		50
9. Independent professions		19		26
10. Domestic service		24		20
11. Land and buildings		36		42
12. Government		178		375
13. Income from abroad		16		31
14. Foreign military expenditures		435		20
15. Gross taxable national output		1,844		1,969

	1947	
16. Value of imports of food and other consumption goods (incl. import duties)		930
17. Distribution cost		225
18. Consumption of local produce		
(*a*) Rice	111	
(*b*) Coconut products	140	
(*c*) Tea	27	
(*d*) Other	274	552
19. Services		50
20. Housing		42
21. Government expenditure on goods and services		300
22. Remittances sent abroad by non-residents		27
23. Dividends and interest payable abroad		110
24. Gross domestic capital formation		
(*a*) Government	75	
(*b*) Private	30	105
25. Net foreign investment		—180
26. Less import and excise duties		226
27. Gross taxable national expenditure		1,935

NOTES TO TABLE

Item

5. Gross of depreciation and costs of production, transportation, etc. Valued f.o.b.
6. Net output figures.
7, 8. Services rendered to export industries and already included in item 5 above have been deducted. Public enterprises are included under 12.
11. Rental value of all land and buildings situated in towns.
12. Includes public enterprises. Ten per cent has been added to all salaries of government employees to allow for accrued pensions.
13. Income payable abroad has not been deducted.
14. Refers to expenditures of foreign military authorities in Ceylon.
22. Offsets an equal debit (outward movement) in the balance of payments on current account (item 25).
23. Gross taxable national income and expenditure are defined to include income payable abroad.
25. Equal to the balance of payments on current account.

CHILE

Source

(1) Memorandum submitted by the *Corporación de Fomento de la Producción,* Santiago de Chile, May 1949.

The National Accounts and Derived Aggregates

The memorandum mentioned above makes available for the first time a set of national accounts for Chile. These accounts, presented for the years 1942 and 1943, are modeled closely on those published by the United States Department of Commerce. For each of the four sectors of the economy—business, government, consumers, and the rest of the world—there is the usual two-sided account summarizing the flows of income and expenditure.[1] In addition, a combined capital account for the whole economy is presented (table 5). Public enterprises are consolidated with private business operations in the business sector (table 1), but the operating profits of these enterprises do not appear to be carried over into the government sector account (table 2). There is apparently another omission in the government account, since government interest payments are recorded as income in the revenue account of persons (table 3) but are not to be found on the expenditure side of the government account.[2]

The account showing transactions with the rest of the world (table 4) does not record payments and receipts of investment income. The item shown as net foreign investment therefore excludes net income from abroad. For this reason the concept of national income actually used is here designated domestic national income.

The estimates of domestic national income and domestic gross national product and expenditure (table 6) for 1942 and 1943 differ from earlier estimates in that the mining tax imposed upon foreign corporations is now regarded as an indirect rather than direct tax.[3] Information concerning the entries in the accounts is not available, but it is stated that the accounts are experimental in character.

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[1] For a more detailed description of a similar system of national accounts, the reader is referred to the section on the United States.

[2] There appear to be other inconsistencies in the sector accounts. For example, the total figure given for receipts in the Revenue Account of Persons (table 3) is inaccurate. Furthermore, the Combined Capital Account (table 5) fails to show the change in inventories.

[3] These earlier estimates, as well as figures for 1940 and 1941 and some information on the definition of national income, are shown in the preceding volume of *National Income Statistics of Various Countries* (pages 44, 45). The estimates there should have been designated *domestic* national income.

TABLE 1

Operating Account of Business Enterprises

(millions of pesos)

EXPENDITURES	*1942*	*1943*	*RECEIPTS*	*1942*	*1943*
1. Wages and salaries	14,709	17,387	12. Consolidated net sales		
2. Supplements to wages and salaries	498	688	(*a*) To consumers	21,782	24,646
3. Income of unincorporated business	3,188	3,297	(*b*) To government	902	1,118
4. Income of incorporated business			(*c*) To business on capital account	1,717	2,077
(*a*) Dividends	854	1,030	(*d*) To abroad	898	1,457
(*b*) Undistributed profits	340	492			
5. Rental income of persons	1,915	2,111			
6. Income originating	21,504	25,005			
7. Foreign mining tax	909	1,219			
8. Indirect business tax	2,020	2,166			
9. Less subsidies	169	209			
10. Capital consumption allowances	1,034	1,117			
11. Total	25,298	29,298	13. Total	25,299	29,298

TABLE 2

Revenue Account of Government

(millions of pesos)

EXPENDITURES	*1942*	*1943*	*RECEIPTS*	*1942*	*1943*
14. Purchases of goods and services			19. Personal tax receipts	819	1,184
(*a*) Direct services			20. Corporate profits taxes	158	203
(i) Wages and salaries	2,220	3,081	21. Indirect taxes	2,020	2,166
(ii) Contributions for social insurance	220	280	22. Foreign mining tax	515	817
Income originating	2,440	3,361	23. Contributions for social insurance by		
(*b*) Net purchases from business	902	1,118	(*a*) Employees	441	514
(*c*) Net purchases from abroad	265	229	(*b*) Business	498	688
15. Transfer payments	258	284	(*c*) Government	220	280
16. Subsidies	169	209			
17. Surplus on income and product transactions	637	651			
18. Total	4,671	5,852	24. Total	4,671	5,852

CHILE

Table 3

Revenue Account of Persons

(millions of pesos)

	EXPENDITURES	*1942*	*1943*		*RECEIPTS*	*1942*	*1943*
25.	Personal consumption expenditure			29.	Wages and salaries paid by		
	(*a*) Wages	345	376		(*a*) Business	14,709	17,387
	(*b*) Net purchases from business	21,782	24,646		(*b*) Government	2,220	3,081
	(*c*) Net purchases from abroad..	61	40		(*c*) Households	345	376
26.	Personal tax	819	1,184	30.	Less employee contributions to social security	441	514
27.	Personal saving	177	1,033	31.	Income of unincorporated enterprises	3,188	3,297
				32.	Rental income of persons	1,915	2,111
				33.	Dividends	854	1,030
				34.	Transfer payments	258	284
				35.	Government interest	136	197
28.	Total	23,184	27,279	36.	Total	23,184	27,279[1]

[1] Discrepancy of 30 million pesos unaccounted for in the table.

Table 4

Rest of the World Account

(millions of pesos)

	EXPENDITURES	*1942*	*1943*		*RECEIPTS*	*1942*	*1943*
37.	Net purchases from Chile			39.	Net foreign investment	572	1,188
	(*a*) From business	898	1,456				
	(*b*) From government	—265	—228				
	(c) From persons	—61	—40				
38.	Total	572	1,188	40.	Total	572	1,188

Table 5

Combined Capital Account

(millions of pesos)

	EXPENDITURES	*1942*	*1943*		*RECEIPTS*	*1942*	*1943*
41.	Purchases on capital account	1,717	2,077	46.	Undistributed corporation profits	340	492
42.	Net foreign investment	572	1,188	47.	Capital consumption allowances	1,034	1,117
43.	Less government surplus	—637	—651	48.	Personal saving	177	1,033
44.	Discrepancy	—	28	49.	Discrepancy	101	—
45.	Total	1,652	2,642	50.	Total	1,652	2,642

CHILE

TABLE 6

Domestic National Income and Domestic National Product and Expenditure

(millions of pesos)

	EXPENDITURES	1942	1943		RECEIPTS	1942	1943
51.	Compensation of employees			60.	Personal consumption expenditures	22,188	25,062
	(*a*) Wages and salaries	17,274	20,844	61.	Government expenditure on goods and services	3,607	4,708
	(*b*) Supplements	719	968	62.	Gross private domestic investment	1,717	2,077
52.	Income of enterprises	4,382	4,819	63.	Net exports of goods and services	572	1,188
53.	Rent	1,915	2,111				
54.	DOMESTIC NATIONAL INCOME AT FACTOR COST	24,290	28,742				
55.	Foreign mining tax	909	1,219				
56.	Indirect tax	2,020	2,166				
57.	Less subsidies	169	209				
58.	Depreciation of capital	1,034	1,117				
59.	DOMESTIC GROSS NATIONAL PRODUCT AT MARKET PRICES	28,084	33,035	64.	DOMESTIC GROSS NATIONAL EXPENDITURE AT MARKET PRICES	28,084	33,035

CZECHOSLOVAKIA

Sources

(1) Communication submitted by the State Planning Office, Prague, May 1949.

(2) Dr. Milos Stadnik, *Czechoslovak National Income and the Methods of its Assessment*, Czechoslovak Ministry of Information (mimeographed).

The following tables 1 and 2, showing estimates of national income and expenditure and of personal income, are taken from source (1). Table 2 shows previous estimates of national income and expenditure for 1937 and 1946, and both tables present revised figures for 1947 and new figures for 1948. The figures for the years 1937 and 1946 are the same as those shown in *National Income Statistics of Various Countries, 1938-1947*, page 52, and the basic concepts are also the same.

The concept of national income underlying all the figures corresponds closely to the standard definition proposed by the Statistical Office of the United Nations. It may be noted, however, that employers' contributions to social insurance are treated as indirect taxes.[1]

The figures for 1937 refer to the territory of Czechoslovakia existing prior to 1 October 1938, while the later figures refer to the present Czech territory. German nationals are excluded from the estimates for 1946, but the figures for later years take the remaining German minority into account.

The figures for net domestic investment for 1947 and 1948 are said to have a more solid statistical foundation than earlier figures, and this should therefore account for part of the increase in the figures for these years.

In the part of table 2 dealing with national expenditure, a negative correction item has been entered to account for the "unfreezing of blocked accounts" for the benefit of the lower income

[1] It is stated that in future studies a new concept similar to that now in use in the Union of Soviet Socialist Republics, Poland and other Eastern European countries will be used.

groups. The argument advanced for this step is that these sums constitute an addition to personal income, in excess of the remuneration for productive services, which is available for expenditure, and that they must therefore be deducted in order to arrive at net national product.

In general, such a procedure would not be correct, because an increase in the purchasing power of the population through unblocking of accounts, through dis-saving, the creation of money or public transfer payments cannot disturb the basic equality of national income, net national product and net national expenditure, which are three approaches to the same total, that is, the net output of the economy in a given year.

In this particular case, however, it may be argued that the inclusion of the negative item is justified, because the unfrozen amounts were approximately balanced by an almost equal amount of free goods, furnished mostly by UNRRA, which have not been deducted from net foreign investment (item 9, table 2). The more usual treatment, of course, would have been to deduct these gifts from abroad from the figures for net foreign investment, and to omit the item "unfreezing of blocked accounts". If this is done, the amounts obtained for national income at factor cost would be slightly different, since the two items are not exactly equal.

Source (2) presents tables which show in some detail a breakdown of consumers' expenditures in the Czech provinces for the years 1937 and 1946. The publication also contains tables showing the relationship between personal income and national income at factor cost separately for Slovakia and the Czech provinces, and the burden of indirect taxes upon various items of consumers' expenditures. This material has not been included here since it does not refer to the country as a whole.

CZECHOSLOVAKIA

TABLE 1

Personal Income and National Income at Factor Cost

(thousand millions of Kčs)

	1947	*1948*
1. Income of independent farmers	25.4	28.0
2. Rental value of farms	0.7	0.7
3. Income from forestry	0.4	0.3
4. Entrepreneurial profits in industry, trade and professions	21.5	20.5
5. Wages and salaries	125.9	139.9
6. Income from capital	0.5	0.5
7. Rentals and sub-rentals	5.2	5.3
8. Other income		
(*a*) Public income transfers	19.4	22.1
(*b*) Pensions of government employees	5.7	5.9
(*c*) Annuities of retired farmers	0.4	0.4
9. Unfreezing of blocked accounts	6.3	5.5
10. PERSONAL INCOME	211.4	229.1
11. Profits of public enterprises and of nationalized industries	8.7	11.6
12. Less public income transfers	19.4	22.1
13. Less unfreezing of blocked accounts	6.3	5.5
14. NATIONAL INCOME AT FACTOR COST	194.4	213.1

Source: (1) cited on page 58.

TABLE 2

National Income and Net National Expenditure

(for 1937, millions of Kčs., for 1946-1948 thousand millions of Kčs.)

	1937	1946	1947	1948
1. Rent	2,220	5.0	5.9	6.0
2. Income from capital, profits of private entrepreneurs, liberal professions, independent farmers (including government subsidies) and profits of nationalized and government-owned enterprises, and of social insurance institutions	21,803	47.3	56.5	61.1
3. Salaries, including pensions of government employees	20,033	51.1	62.2	66.0
4. Wages	14,534	52.0	69.8	80.0
5. NATIONAL INCOME AT FACTOR COST	58,590	155.4	194.4	213.1
6. Personal expenditure on consumers' goods and services	52,489	144.4	176.5	183.4
7. Current government expenditure on goods and services	8,158	41.0	42.5	48.1
8. Net domestic capital formation	4,133	1.0	14.0	30.0
9. Net foreign investment	—200	—	—3.3	—2.2
10. Less unfreezing of blocked accounts	—	9.3	6.3	5.5
11. NET NATIONAL EXPENDITURE AT MARKET PRICES	64,580	175.1	223.4	253.8
12. Less indirect taxes minus subsidies	5,990	19.7	29.0	40.7
13. NET NATIONAL EXPENDITURE AT FACTOR COST	58,590	155.4	194.4	213.1

Source: (1) cited on page 58.

NOTES TO TABLES

TABLE 1

Item

1. Includes government subsidies received and income in kind. Annuities paid by sons to retired farmers are deducted and shown in item 8 (*c*).

5. Includes payments in kind and employees' contributions to social insurance.

7. Includes net rental value of owner-occupied dwellings.

8. (*a*) Includes social insurance benefits, repatriation allowances, payments to war invalids and victims of persecution, family allowances for military personnel, costs of transfer of German population and other payments.

Item

8. (*b*) Includes retired personnel of government-owned and nationalized industries.

8. (*c*) See note to item 1.

9. Refers to deblocking of money on behalf of groups of the population of limited means.

12. Equals item 8 (*a*).

13. Equals item 9.

TABLE 2

Item

3-4. Excludes for 1946 wages and salaries paid to German nationals, estimated roughly at 8 billion Kčs.

8. Includes investments in stocks.

9. Equals export surplus of goods and services.

Item

10. See note to item 9 of table 1.

12. Indirect taxes plus employers' contributions to social insurance less subsidies.

DENMARK

Sources

(1) *Statistisk Aarbog 1948,* Copenhagen, 1949. *(Statistical Yearbook, 1948).*

(2) *Danmarks Nationalbudget for Året 1949,* Copenhagen, 1949. (National Budget of Denmark for the Year 1949).

(3) *Statistiske Efterretninger,* No. 19, 27 April 1949, Copenhagen. *(Statistical Bulletin).*

(4) *Statistiske Efterretninger,* No. 1, 14 January 1950, Copenhagen. *(Statistical Bulletin).*

Definition of National Income

From sources (1) and (2) it is now possible to assemble revised and more or less comparable series for national expenditure for the period 1938 to 1948 inclusive. These figures, shown in table 1, are based on the definition implicit in the earlier estimates for the years 1946 and 1947.[1] This definition differs from that originally used in compiling the figures for the years prior to 1946 mainly in that the whole of government current expenditures on goods and services is considered part of the national product (in the discarded concept, government services rendered to business were excluded from government expenditure and national income). In addition, the concept of gross capital formation was broadened to include not only depreciation but also maintenance and repairs.

For the years 1947, 1948 and 1949, it is possible to show (sources 2 and 4) gross national product by industries (table 2). Public enterprises are not combined with the rest of government but are shown along with private business activities in the appropriate industry groups. For 1947 and 1948 it is also possible to show personal consumption expenditure by type of product (table 3). The sum of personal consumption expenditure and government current expenditure yields domestic expenditure on goods and services as shown in table 1.

Sources (3) and (4) present a breakdown of gross investment by type of capital created (table 4). In addition, new construction and repairs have been distinguished for each of the major groups of capital, and total gross investment has been divided into private and public investment, except for 1949. The figures of this table are preliminary.

The National Accounts

Source (2) presents a simplified system of national accounts for the year 1948.[2] For this purpose, receipts and expenditures are shown separately for persons, government, the rest of the world, and for the combined capital account (table 5). An aggregative account for national income and expenditure brings together the appropriate expenditure items to yield gross national expenditure, and the appropriate receipts or income items to yield gross national product from the income side. Various payments between the sector accounts not directly entering into the account for national income and expenditure are also shown (transfers, etc.).

It may be noted that in this system of accounts no separate operating account for business and public enterprises is presented. Factor payments arising in business, government, etc., are not separately identified but are shown cumulated in the national income and expenditure account. The government revenue account shows the net operating surplus of public enterprises but not their receipts or expenditures.

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[1] For details of the definition, see the chapter for Denmark in the preceding volume of *National Income Statistics of Various Countries.* In addition to the information carried there, it should be noted that national income includes interest imputed to public buildings and other assets used by government authorities, and excludes employers' social insurance contributions.

[2] Similar accounts for 1947 have also been published, but the figures are unrevised and conflict with the latest revised estimates for 1947 shown here.

In the rest of the world account, exports from Denmark are shown as expenditures, imports as receipts. This results from the fact that the account is a statement for non-residents. The figure for imports includes imports financed under the European Recovery Program. The financing of the import surplus by gifts from abroad, loans, etc., is also shown in the account.

DENMARK

TABLE 1

Gross and Net National Expenditure and National Income

(millions of kroner)

	1938	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
1. Domestic expenditure on goods and services	6,094	6,592	7,153	7,749	8,710	8,816	9,535	10,974	14,109	14,975	15,676
2. Gross domestic capital formation	1,410	1,587	921	1,463	1,725	2,044	2,305	2,330	3,206	3,450	4,150
3. Net exports of goods and services	170	158	967	941	853	1,944	2,762	1,175	—890	—338	—205
4. Net income from abroad	—100	—92	—60	—50	—37	—22	—8	—40	—60	—75	—65
5. GROSS NATIONAL EXPENDITURE AT MARKET PRICES	7,574	8,245	8,981	10,103	11,251	12,782	14,594	14,439	16,365	18,012	19,556
6. Less depreciation	852	920	1,112	1,245	1,316	1,570	2,051	2,041	2,046	2,400	2,600
7. NET NATIONAL EXPENDITURE AT MARKET PRICES	6,722	7,325	7,869	8,858	9,935	11,212	12,543	12,398	14,319	15,612	16,956
8. Less indirect taxes minus subsidies	362	405	428	417	446	458	587	430	933	1,027	1,180
9. NATIONAL INCOME AT FACTOR COST	6,360	6,920	7,441	8,441	9,489	10,754	11,956	11,968	13,386	14,585	15,776

Sources: (1) and (2) cited on page 61.

TABLE 2

Gross National Product at Factor Cost

(millions of kroner)

	1947	*1948*	*1949*
1. Agriculture	2,747	3,067	3,542
2. Forestry	67	65	
3. Horticulture	488	528	756
4. Fisheries	116	118	
5. Turf and brown coal production	216	159	
6. Manufacturing	2,974	3,491	
7. Handicrafts	1,944	2,082	6,403
8. Public utilities	220	252	
9. Construction	873	990	1,063
10. Trade	2,400	2,550	
11. Banking and insurance	321	337	3,364
12. Hotels and restaurants	304	302	
13. Cinemas, theatres and other amusements	56	59	
14. Shipping	417	439	1,408
15. Other transport	880	897	
16. Real estate	799	833	878
17. Professions	354	360	350
18. Domestic service	423	417	410
19. Government	1,461	1,495	1,532
20. Net income from abroad	—75	—65	—75
21. GROSS NATIONAL PRODUCT AT FACTOR COST	16,985	18,376	19,631

Sources: (2) and (4) cited on page 61.

DENMARK

TABLE 3

Domestic Expenditure at Market Prices

(millions of kroner)

		1947	*1948*
1.	Food	3,655	3,692
2.	Confectionery, alcoholic and non-alcoholic beverages, tobacco, etc.	1,813	1,880
3.	Textiles, clothing and footwear	2,052	2,155
4.	Furniture, household articles, etc.	966	1,224
5.	Rent, etc.	1,418	1,480
6.	Domestic service, etc.	827	837
7.	Books, newspapers and magazines, etc.	532	639
8.	Transportation, communication, etc.	736	777
9.	Amusements, professional fees, insurance premiums, etc.	931	945
10.	Personal consumption expenditure	12,930	13,629
11.	Government current expenditure on goods and services	2,045	2,047
12.	Total domestic expenditure	14,975	15,676

Source: (2) cited on page 61.

TABLE 4

Gross Domestic Investment at Market Prices

(millions of kroner)

		1947	*1948*	*1949*
1.	Buildings and plants			
	(*a*) New construction	870	1,110	..
	(*b*) Repairs	820	825	..
		1,690	1,935	2,070
2.	Ships			
	(*a*) New construction	177	117	..
	(*b*) Repairs of Danish ships	60	70	..
		237	187	208
3.	Producers' durable equipment			
	(*a*) New investment in equipment	1,165	1,368	..
	(*b*) Repairs	269	279	..
		1,434	1,647	1,894
4.	Net change in stocks of commodities	300	300	550
5.	Net change in livestock	—211	81	128
6.	Total gross investment	3,450	4,150	4,850
	Of which:			
	(*a*) Private gross investment	2,952	3,578	..
	(*b*) Public gross investment	498	572	..

Sources: (3) and (4) cited on page 61.

DENMARK

TABLE 5

National Accounts for 1948

(millions of kroner)

	Account for national income and national expenditure		*Revenue account of persons*		*Revenue account of government*		*Rest of the world account*		*Combined capital account*	
	Receipts	*Expenditures*	*Receipts*	*Expenditures*	*Receipts*	*Expenditures*	*Receipts*	*Expenditures*	*Receipts*	*Expenditures*
1. Consumption										
2. Private	13,629			13,629						
3. Public	2,047					2,047				
4. Gross investment										3,578
5. Private	3,578									572
6. Public	572									
7. Exports of goods and services	3,800							3,800		
8. Imports of goods and services	—4,070						4,070			
9. GROSS NATIONAL EXPENDITURE	19,556									
10. Wages and salaries, interest and profits										
11. To private persons		15,129	15,129							275
12. Undistributed profits		275								
13. Corporate taxes		193				193				
14. Export duties		25				25				
15. Surplus of public enterprises		80				80				
16. Imputed interest on public buildings, etc.		74				74				

TABLE 5 *(Continued)*

National Accounts for 1948

(millions of kroner)

	Account for national income and national expenditure		*Revenue account of persons*		*Revenue account of government*		*Rest of the world account*		*Combined capital account*	
	Receipts	*Expenditures*	*Receipts*	*Expenditures*	*Receipts*	*Expenditures*	*Receipts*	*Expenditures*	*Receipts*	*Expenditures*
17. Depreciation and maintenance										
18. Private		2,263							2,263	
19. Public		337							337	
20. Indirect taxes		1,494			1,494					
21. Subsidies		—314				314				
22. GROSS NATIONAL PRODUCT		19,556								
23. Transfers										
24. Interest on public debt			166			166				
25. Social services, etc.			875			875				
26. Direct personal taxes, real estate taxes				2,005	2,005					
27. Fees and fines				200	200					
28. Saving										
29. Private				336					336	
30. Public						669			669	
31. Gifts from abroad								165	165	
32. Loans etc. from abroad								105	105	
33. GRAND TOTAL	19,556	19,556	16,170	16,170	4,071	4,071	4,070	4,070	4,150	4,150

Source: (2) cited on page 61.

NOTES TO TABLES

TABLE 1

Note: Figures for 1947 and 1948 may not be wholly comparable with figures for preceding years.

Item

1. Comprises personal expenditure on consumers' goods and services and government current expenditure.
2. Includes expenditures for maintenance and repairs.
3. Includes for the years 1940-1945 total deliveries to the occupation Power, both for use inside Denmark and for exports.

Item

4. Interest and dividends received from abroad less interest and dividends paid abroad.
6. Includes maintenance and repairs.
8. Indirect taxes include import duties. Subsidies are restricted to those payments to producers which have an immediate effect on prices.

TABLE 2

Item

1. Includes the production of dairies and slaughterhouses. Production of goods for own consumption is included, and changes in numbers of livestock are taken into account.
3. Covers production for sale of vegetables, fruits, and flowers, but excludes production for own use.
4. Covers only professional fishing. The coverage is incomplete as regards fresh-water fisheries. Hunting is included in the national product whether it is conducted on a professional basis or not.

Item

6. Covers as a rule all manufacturing enterprises employing more than five workers. Small manufacturing enterprises are classified under handicrafts (item 7).
15. Includes post, telegraph, telephone, and radio.
19. Includes maintenance of roads, sewers, etc., and depreciation allowances. Public enterprises are classified by branch of activity.
20. See note to item 4 of table 1.

TABLE 3

Item

5. Includes expenditure on fuel, gas, water and electricity.
8. This item comprises expenditure on telephone, post, telegraph and radio; purchases of automobiles, bicycles and perambulators; current expenditures on public and private transportation.

Item

9. Insurance premiums exclude the element of payment covering risk and savings.

TABLE 4

Item

6. (*a*) Includes capital investment made by the private sector with public support in the form of contributions or loans.

Item

6. (*b*) Includes capital investment in public enterprises.

TABLE 5

Item

5, 6. Includes expenditures on maintenance and repairs, except daily supervision and care of fixed assets.

8. Includes imports under the European Recovery Program and net interest and dividends from abroad.

Item

18, 19. See note to items 5, 6.

20, 21. See note to item 8 of table 1.

FINLAND

Source

(1) *Monthly Bulletin,* Bank of Finland, Vol. XXIII, Nos. 7-8, July-August 1949, pp. 28-33.

The basic concept used is domestic national income at factor cost defined as the aggregate of net values added in all economic sectors, including net income payable abroad (table 1). Farmers' production for own consumption is included and valued at farm prices. The imputed rental value of owner-occupied houses, payments in kind to domestic servants and others, and social insurance premiums paid by employers and employees are also regarded as part of domestic national income. The industry estimates are based primarily on production statistics.

National income at factor cost, derived by adding the income shares accruing to the factors of production, is shown in table 2. Since net income payable abroad was small in relation to total national income for the years considered (1938 and 1945 to 1948), the figures for national income and domestic national income differ by only a small amount. The national income totals in this table have been adjusted to show national income at market prices and gross national product or expenditure at market prices as well.

Gross national expenditure is shown in table 3. The total of consumption, gross domestic investment, and net foreign investment (defined so as to exclude reparations payments and other unilateral items originating in Finland and transferred abroad) is called "gross disposable national income" in the publication cited.[1]

FINLAND

TABLE 1

National Income by Industrial Origin

(thousand millions of markkas)

	1938	*1945*	*1946*	*1947*	*1948*
1. Agriculture	5.73	21.28	27.76	51.91	64.94
2. Forestry	4.89	11.06	26.33	28.19	38.90
3. Fishing and hunting	0.20	0.71	1.79	2.11	2.54
4. Manufacturing and handicrafts	7.87	29.00	47.34	67.12	100.81
5. Building and construction	1.46	3.80	7.87	14.55	20.70
6. Transport and communications	1.72	4.82	8.86	13.37	18.78
7. Trade, banking, insurance, etc.	3.68	12.24	19.22	26.24	39.21
8. Domestic service	0.31	1.10	1.72	2.22	3.01
9. Other services	2.50	3.49	3.89	4.75	5.47
10. Government	1.93	8.50	10.32	15.26	20.60
11. Deductions	—0.62	—1.55	—2.10	—2.99	—4.20
12. DOMESTIC NATIONAL INCOME AT FACTOR COST	29.67	94.45	153.00	222.73	310.76
13. Net income from abroad	—0.15	—0.27	—0.91	—1.27	—1.09
14. NATIONAL INCOME AT FACTOR COST	29.52	94.18	152.09	221.46	309.67

[1] All figures in the tables are preliminary and based on scanty information for the most part. New estimates are in preparation.

TABLE 2

National Income at Factor Cost and Market Prices and Gross National Product

(thousand millions of markkas)

	1938	1945	1946	1947	1948
1. Wages and salaries	14.95	54.15	93.59	131.98	189.33
2. Income of unincorporated enterprises	7.67	25.75	35.00	59.32	77.11
3. Rent and interest	4.03	5.10	10.35	12.41	18.04
4. Direct taxes of corporations	0.90	5.79	6.92	9.23	12.36
5. Corporate profits after taxes	1.97	3.39	6.23	8.52	12.83
6. NATIONAL INCOME AT FACTOR COST	29.52	94.18	152.09	221.46	309.67
7. Indirect taxes less subsidies	3.04	15.81	29.00	35.13	60.09
8. NATIONAL INCOME AT MARKET PRICES	32.56	109.99	181.09	256.59	369.76
9. Depreciation and maintenance	2.83	8.34	13.66	18.17	27.55
10. GROSS NATIONAL PRODUCT AT MARKET PRICES	35.39	118.33	194.75	274.76	397.31

TABLE 3

Gross National Expenditure at Market Prices

(thousand millions of markkas)

	1938	1945	1946	1947	1948
1. Consumption	27.07	88.08	141.25	188.54	275.61
2. Gross domestic investment	7.99	21.96	45.51	76.03	116.55
3. Net foreign investment (excl. reparations and other unilateral transfers)	0.41	—0.76	0.39	—1.84	—7.02
4. Reparations and other unilateral items transferred abroad	—0.08	9.05	7.60	12.03	12.17
5. GROSS NATIONAL EXPENDITURE AT MARKET PRICES	35.39	118.33	194.75	274.76	397.31

NOTES TO TABLES

TABLE 1

Item

1. Value of farmers' production for own consumption included at producers' prices.
2. Variations in the forest capital not taken into account.
8. Payment in kind to domestic servants included.

Item

9. Includes imputed rent of owner-occupied houses.
10. Government enterprises have been classified above and are therefore excluded from this item.
11. Covers services of banks and business insurance companies, which for statistical reasons could not be allocated directly by industries.

TABLE 2

1. Includes payments in kind to domestic servants and others, and payments by both employers and employees to social insurance funds and pension schemes.
3. Excludes interest on government loans; includes imputed rent of owner-occupied houses.

TABLE 3

2. Changes in stocks have been taken into account.
5. Reparations paid out of current production are regarded as part of Finland's national product.

FRANCE

Sources

(1) *Perspectives des ressources et des besoins de l'économie française au cours du premier semestre et de l'année 1948,* Commissariat général du plan de modernisation et d'équipement, Paris, December 1947.

(2) R. Froment and P. Gavanier, "Revenu national et comptabilité économique", *Revue d'économie politique,* vol. 58, No. 5, September-October 1948, pp. 727-743.

(3) *Deux ans d'exécution du plan de modernisation et d'équipement, 1947-1948,* Commissariat général du plan de modernisation et d'équipement, Paris, April 1949.

The National Accounts and Income Aggregates

Tables 1 to 6 which follow are based on source (1) and show the national accounts for France for the years 1938 and 1946. The estimates for these two years are now obsolete as a result of the figures subsequently made available in source (2); however, as source (2) does not present the separate sector accounts for 1938 and 1946, it has been considered useful to include the unrevised data published in source (1) for these two years.

The first five tables which follow therefore show the revenue accounts of business enterprises (including public enterprises), persons and government (including the social security schemes), and the international and combined capital accounts for 1938 and 1946. These accounts require but little comment here since the nature of the entries is in all cases quite clear. It may, however, be pointed out that although capital investment by general government, i.e., outside government-owned enterprises, is made explicit in the revenue accounts of government (table 3, item 22) and business enterprises (table 1, item 6(*c*)(ii)), gross domestic investment as given in the combined capital account (table 5, item 40) refers only to the investment of private and public business enterprises.

Table 6 is a summary account which brings together the relevant items from the tables described so as to yield gross national product or expenditure from both the receipts and expenditure side. In the receipts column, the items shown under "Adjustments for transfers" are necessary to eliminate from personal disposable income, business saving and government receipts those receipts not properly forming part of gross national product at market prices. Likewise, in the expenditure columns, the adjustments for transfer items are required in order to eliminate from total government expenditure all payments other than those for goods (including investment goods) and services purchased. The columns headed "Excess (+) or Deficit (−)" necessarily add to zero since, in the aggregate, receipts equal expenditures, and there is no over-all excess or deficit. These columns show what each sector has available for lending to other sectors or needs to borrow from other sectors to finance domestic investment, the government deficit, or an import surplus.

Table 7, based on source (2), shows another set of estimates of gross national expenditure and national income for the years 1938 and 1946, as well as figures for 1947. While the totals for gross national expenditure given here for 1938 and 1946 agree with the total national expenditure figures of table 6 within one per cent, it should be noted that the separate components are not in close agreement. For the year 1947, source (2) also presents a system of national accounts. These accounts are shown here in summary form in table 8, and in greater detail in the two tables following.

Table 8 presents a classification of receipts and expenditures of persons, government, business (including public corporations), and the rest of the world. In section A of the table, receipts from sales and expenditures for purchases of goods and services are shown for each sector of the economy. Section B shows receipts and payments of income, including taxes, subsidies and

other inter-sector transfers. Sections C and D show capital movements, the emission of money and changes in cash holdings.

The business sector is divided into an operating account and a capital account, the latter including in this case certain non-operating transactions of financial intermediaries. Column (8) of section A records the increases in stocks of non-durable and durable consumer goods, raw materials and semi-finished products, and net investment in capital goods. The single entry in column (6), section A represents depreciation allowances. Gross capital formation in private and public businesses is therefore the sum of these several entries. In the case of general government, for which operations on capital account have not been separately recorded, gross investment is equal to gross expenditure on capital goods as given in column (4).

Personal expenditure on consumer goods and services is the total of column (2), section A. Government current expenditure cannot be derived from table 8 since the various items of outlay by government are not shown in sufficient detail; but reference to the two succeeding tables, which amplify sections A and B, makes it possible to arrive at this figure (see note to item 2 of table 7).

Total receipts and total expenditures for each sector account are shown as balancing in table 8, since all receipts in a sector are either spent, loaned out, deposited in banks, etc., or lead to changes in cash holdings.

The two tables which are addenda to table 8 provide a detailed breakdown of sections A and B. The column headed "Total Available Means" shows the value of the goods available for consumption or capital formation at home, and is the sum of domestic production plus imports, less exports.

Table 9 shows national income by distributive shares, and is based on table 8 and addenda, as well as on other information not included in those tables. Income in kind and the rental value of owner-occupied houses are included, and interest on the national debt is regarded as a transfer payment and excluded.[1]

Table 10, based on source (3), shows domestic net and gross product of private and public business enterprises by industrial origin in prices of 1938. It is important to note that income originating in general government activities (i.e., outside public enterprises) is not included in total product in this table. Likewise, net income from overseas investments is excluded.

[1] For other details of definition not made explicit in the accounts, the reader may refer to the section on the French national income in *National Income Statistics of Various Countries, 1938-1947*, pp. 56-57.

FRANCE

TABLE 1

Revenue Account of Business Enterprises

(thousand millions of francs)

EXPENDITURES	1938	1946	RECEIPTS	1938	1946
1. Wages, salaries, dividends, interest, entrepreneurial income and rent			6. Sales to residents		
(a) To private persons	317	2,317	(a) Persons	328	2,287
(b) To government	11	47	(b) Business on capital account	46	520
(c) Abroad	—	7	(c) Government		
2. Other expenditure			(i) On current account	24	84
(a) Corporate profits taxes	2	9	(ii) On capital account	13	71
(b) Indirect taxes	42	236	7. Sales to non-residents	38	107
(c) Contributions to social security schemes	4	79	8. Subsidies	13	91
(d) Transfer payments	—	8	9. Other receipts		
3. Purchases from non-residents	46	325	(a) Interest on public debt	15	32
4. Gross saving	56	164	(b) Interest and dividends from abroad	1	—
5. Total	478	3,192	10. Total	478	3,192

Source: (1) cited on page 69.

TABLE 2

Revenue Account of Persons

(thousand millions of francs)

EXPENDITURES	1938	1946	RECEIPTS	1938	1946
11. Personal direct taxes	18	85	16. Wages, salaries, dividends, interest, entrepreneurial income and rent		
12. Employee contributions to social security schemes	3	32	(a) From business enterprises	317	2,317
13. Purchase of goods and services	328	2,287	(b) From government	26	253
14. Personal saving	25	371	(c) From abroad	7	16
			17. Transfer payments		
			(a) Interest on public debt	5	9
			(b) Others		
			(i) From business	—	8
			(ii) From government and social security schemes	19	172
15. Total	374	2,775	18. Total	374	2,775

Source: (1) cited on page 69.

TABLE 3

Revenue Account of Government

(thousand millions of francs)

EXPENDITURES	*1938*	*1946*	*RECEIPTS*	*1938*	*1946*
19. Purchase of goods and services			24. Direct taxes		
(*a*) From business	24	84	(*a*) Persons	18	85
(*b*) Direct services	26	253	(*b*) Corporate profits taxes	2	9
20. Transfer payments			25. Indirect taxes	42	236
(*a*) Interest on government debt			26. Capital taxes	8	99
(i) To private persons	5	9	27. Contributions to social security schemes		
(ii) To business	15	32	(i) By employees	3	32
(iii) Abroad	—	1	(ii) By employers	4	79
(*b*) Other transfers			28. Investment income	11	47
(i) By government	15	75	29. Transfer payments from abroad	—	3
(ii) By social security schemes	4	97	30. Deficit	44	370
(*c*) Capital transfers	17	240			
(*d*) Transfers abroad	—	7			
21. Subsidies to business enterprises	13	91			
22. Investment	13	71			
23. Total	132	960	31. Total	132	960

Source: (1) cited on page 69.

TABLE 4

Rest of the World Account

(thousand millions of francs)

EXPENDITURES	*1938*	*1946*	*RECEIPTS*	*1938*	*1946*
32. Payments to business			37. Receipts from business		
(*a*) Payments other than interest and dividends	38	107	(*a*) Other than interest and dividends	46	325
(*b*) Interest and dividends	1	—	(*b*) Interest and dividends	—	7
33. Payments to persons	7	16	38. Receipts from government		
34. Transfer payments to government	—	3	(*a*) Interest on government debt	—	1
35. Net foreign disinvestment by France	—	214	(*b*) Other transfer payments	—	7
36. Total	46	340	39. Total	46	340

Source: (1) cited on page 69.

FRANCE

TABLE 5

Combined Capital Account

(thousand millions of francs)

EXPENDITURES	*1938*	*1946*	*RECEIPTS*	*1938*	*1946*
40. Gross domestic investment (excl. general government)			44. Gross saving by business enterprises	56	164
(*a*) Equipment and reconstruction ..	5	240	45. Personal saving	25	371
(*b*) Inventories	1	162	46. Capital transfers by government....	17	240
(*c*) Maintenance	40	118	47. Net foreign disinvestment	—	214
41. Government deficit	44	370			
42. Capital levy	8	99			
43. Total	98	989	48. Total	98	989

Source: (1) cited on page 69.

TABLE 6

Summary Gross National Product Account

(thousand millions of francs)

	1938			*1946*		
	Receipts	*Expenditures*	*Excess (+) or deficit (—)*	*Receipts*	*Expenditures*	*Excess (+) or deficit (—)*
A. *Persons*						
1. Disposable income	353			2,658		
2. Consumers' expenditures		328			2,287	
3. Saving			+25			+371
B. *Business*						
1. Saving	56			164		
2. Gross domestic investment		46			520	
3. Excess of receipts (+) or investment (—)			+10			—356
C. *Government*						
1. Cash receipts from the public	88			590		
2. Cash payments to the public		132			960	
3. Excess of receipts (+) or payments (—)			—44			—370
D. *International*						
1. Net foreign investment		—			—214	
2. Excess of receipts (+) or investment (—)			—			+214
E. *Adjustments for transfers*						
1. To persons	—24	—24	—	—181	—181	—
2. To business	—28	—28	—	—123	—123	—
3. To government	—8	—	—8	—99	—	—99
4. To capital account	—	—17	+17	—	—240	+240
5. To abroad	—	—	—	—8	—8	—
F. GROSS NATIONAL PRODUCT OR EXPENDITURE AT MARKET PRICES	437	437	—	3,001	3,001	—

Source: (1) cited on page 69.

FRANCE

TABLE 7

Gross National Expenditure and National Income

(thousand millions of francs)

	1938	*1946*	*1947*
1. Personal expenditure on consumer goods and services	327	2,137	2,854
2. Government current expenditure on goods and services	36	356	446
3. Gross government domestic investment (excl. public corporations)	22	111	144
4. Gross business domestic investment (incl. public corporations)	48	502	602
5. Net foreign investment	—	—135	—128
6. GROSS NATIONAL EXPENDITURE AT MARKET PRICES	433	2,971	3,918
7. Less depreciation	50	315	417
8. NATIONAL INCOME AT MARKET PRICES	383	2,656	3,501
9. Less indirect taxes minus subsidies	27	180	320
10. NATIONAL INCOME AT FACTOR COST	356	2,476	3,181
Of which:			
(*a*) Domestic net product of business enterprises at factor cost	328	2,280	2,933
(*b*) Net government product (excl. public corporations)	20	180	245
(*c*) Net income from abroad	8	16	3

Source: Based on (2) cited on page 69.

FRANCE

TABLE 8

National Accounts Summary Statement, 1947

(thousand millions of francs)

	Persons		*Government*		*Business*				*Rest of World*	
					Operating account		*Capital account*			
	Rec. (1)	*Exp. (2)*	*Rec. (3)*	*Exp. (4)*	*Rec. (5)*	*Exp. (6)*	*Rec. (7)*	*Exp. (8)*	*Rec. (9)*	*Exp. (10)*
A. *Purchases of goods and services*										
1. Non-durable consumer goods and services	—	2,260	—	101	2,383	—	—	30	100	92
2. Durable consumer goods	—	594	—	33	760	—	—	55	14	92
3. Capital goods	—	—	—	144	618	372	—	132	67	37
4. Raw materials and semi-finished products exported, imported or stocked.	—	—	—	—	—136	—	—	13	192	43
Total	—	2,854	—	278	3,625	372	—	230	373	264
B. *Income payments and taxes*										
5. Distributed income	3,205	74	85	459	—	2,833	79	—	13	16
6. Non-distributed income	—	—	—	—	—	80	80	—	—	—
7. Taxes (and subsidies)	—	157	566	91	69	409	—	—	22	—
Total	3,205	231	651	550	69	3,322	159	—	35	16
C. *Capital movements*										
8. Loans	22	38	175	136	—	—	382	295	—	110
9. Loans to government by *Banque de France*	—	—	116	—	—	—	—	116	—	—
10. Deposits	—	41	64	—	—	—	149	161	—	11
11. Others	53	26	99	136	—	—	104	87	70	77
Total	75	105	454	272	—	—	635	659	70	198
D. *Emission of money and changes in cash holdings*										
12. Emission of money	—	—	—	—	—	—	189	—	—	—
13. Changes in cash holdings	—	90	—	5	—	—	—	94	—	—
Grand total	3,280	3,280	1,105	1,105	3,694	3,694	983	983	178	478

Source: (2) cited on page 69.

FRANCE

Addendum to Table 8, Part A

Purchases of Goods and Services

(thousand millions of francs)

	Persons		Government				Business				Rest of World		Total available means (7)+(11)—(12)=(13)
	Revenue account		Revenue account		Capital account		Operating account		Capital account		Revenue account		
	Rec. (1)	Exp. (2)	Rec. (3)	Exp. (4)	Rec. (5)	Exp. (6)	Rec. (7)	Exp. (8)	Rec. (9)	Exp. (10)	Rec. (11)	Exp. (12)	
A. *Non-durable consumer goods and services*													
1. Food	—	1,650	—	25	—	—	1,635	—	—	15	92	37	1,690
2. Rent	—	41	—	2	—	—	43	—	—	—	—	—	43
3. Others	—	569	—	74	—	—	705	—	—	15	8	55	658
Sub-total	—	2,260	—	101	—	—	2,383	—	—	30	100	92	2,391
B. *Durable consumer goods*													
4. Textiles, leather	—	353	—	16	—	—	465	—	—	40	7	63	409
5. Others	—	241	—	17	—	—	295	—	—	15	7	29	273
Sub-total	—	594	—	33	—	—	760	—	—	55	14	92	682
C. *Capital goods*													
6. Industrial equipment	—	—	—	2	—	5	175	235	—	114	27	26	176
7. Agricultural equipment	—	—	—	—	—	—	36		—		3	1	38
8. Transportation equipment	—	—	—	2	—	9	126		—		37	10	153
9. Construction	—	—	—	41	—	45	241	137	—	18	—	—	241
10. Armament	—	—	—	—	—	40	40	—	—	—	—	—	40
Sub-total	—	—	—	45	—	99	618	372	—	132	67	37	648
D. *Raw materials and semi-finished products*													
11. Exported or stocked	—	—	—	—	—	—	56	—	—	13	—	43	13
12. Imported	—	—	—	—	—	—	—192	—	—	—	192	—	—
Total	—	2,854	—	179	—	99	3,625	372	—	230	373	264	3,734

Source: (2) cited on page 69.

Income Payments and Taxes

(thousand millions of francs)

	Persons		*Government*		*Business*		*Financial Intermediaries*		*Rest of World*	
	Revenue account		*Revenue account*		*Operating account*		*Revenue account*		*Revenue account*	
	Rec. (1)	*Exp. (2)*	*Rec. (3)*	*Exp. (4)*	*Rec. (5)*	*Exp. (6)*	*Rec. (7)*	*Exp. (8)*	*Rec. (9)*	*Exp. (10)*
A. *Income originating in domestic production*										
1. Income from labour	1,340	—	—	226	—	1,120	—	—	8	2
2. Income of unincorporated enterprises	1,402	—	—	—	—	1,402	—	—	—	—
3. Income from stocks and bonds	38	—	—	—	—	49	11	—	—	—
4. Income from real estate										
(*a*) Private	10	—	—	—	—	10	—	—	—	—
(*b*) Government	—	17	74	—	—	57	—	—	—	—
5. Retirement pensions	30	8	—	2	—	20	—	—	—	—
6. Family allowances	128	—	2	41	—	83	—6	—	—	—
7. Social insurance	99	45	9	5	—	92	34	—	—	—
Sub-total	3,047	70	85	274	—	2,833	39	—	8	2
B. *Income from abroad*										
8. Dividends and interest	6	—	—	—	—	—	8	—	—	14
C. *Transfer payments*										
9. Interest on government debt	11	—	—	48	—	—	32	—	5	—
10. Pensions, etc.	141	4	—	137	—	–	—	—	—	—
Sub-total	152	4	—	185	—	–	32	—	5	—
Total income distributed	3,205	74	85	459	—	2,833	79	—	13	16
11. Non-distributed incomes	—	—	—	—	—	80	—	—	—	—
12. Direct taxes	—	157	177	—	—	20	—	—	—	—
13. Total income originating in business enterprises	—	—	—	—	—	2,933	—	—	—	—
14. Indirect taxes and subsidies	—	—	389	91	69	389	—	—	22	—
Total income and taxes	3,205	231	651	550	69	3,322	79	—	35	16

Source: (2) cited on page 69.

FRANCE

TABLE 9

National Income at Factor Cost

(thousand millions of francs)

	1938	1946	1947
1. Wages and salaries	150	1,042	1,540
2. Income of unincorporated enterprises	137	1,117	1,402
3. Corporate profits and interest	46	213	141
4. Rent	22	65	84
5. Statistical discrepancy	1	39	14
6. NATIONAL INCOME AT FACTOR COST	356	2,476	3,181

Source: (2) cited on page 69.

TABLE 10

Domestic Net and Gross Product of Business Enterprises by Industrial Origin

(thousand millions of francs of 1938)

	1938	1946	1947	1948
1. Agriculture	78	65	64	68
2. Raw materials	22	17	22	26
3. Energy	9	10	10	11
4. Manufacturing	79	57	65	75
5. Transportation and communication	26	30	31	35
6. Construction	17	19	20	20
7. Trade	52	38	42	45
8. Banking and insurance	6	4	5	6
9. Housing	13	11	12	12
10. Services	26	24	24	25
11. DOMESTIC NET PRODUCT OF BUSINESS ENTERPRISES AT FACTOR COST	328	275	295	323
12. Indirect taxes	38	27	32	38
13. Less subsidies	8	11	11	12
14. DOMESTIC NET PRODUCT OF BUSINESS ENTERPRISES AT MARKET PRICES	358	291	316	349
15. Depreciation	45	42	43	44
16. DOMESTIC GROSS PRODUCT OF BUSINESS ENTERPRISES AT MARKET PRICES	403	333	359	393

Source: (3) cited on page 69.

NOTES TO TABLES

TABLE 1

Item

1. (*b*) Investment income of the government.
2. (*d*) Surplus of private benefits over employee contributions.

Item

4. Depreciation allowance plus undistributed profits.

TABLE 2

Item

17. (*b*) (i) See note to item 2 (*d*) of table 1.

TABLE 3

Item

19. (*a*) Refers to current purchases from business enterprises. Includes also non-productive military investment and maintenance of military installations and local government capital assets.

19. (*b*) Wages and salaries of central and local government employees and military personnel.

20. (*b*) (i) Relief payments, family allowances, etc., paid by central and local government.

20. (*b*) (ii) Family allowances, old age pensions and other transfer payments.

20. (*c*) War damage payments, allowances for reconstruction of merchant marine fleet and government enterprises, amortization of public debt, etc.

Item

20. (*d*) Subsidies to overseas territories and contributions to international organizations.

22. Includes maintenance of central government capital assets and expenditure for productive military equipment.

26. Receipts from inheritance taxes and taxes on sales of property, including real estate, etc.

28. Income from real estate, central and local government enterprises, income from investments by social security schemes, etc.

29. Receipts from abroad and from overseas territories for services rendered to the Allied Forces in earlier years.

TABLE 4

Item

33. See item 16 (*c*) of table 2.

34. See note to item 29 of table 3.

Item

38. (*b*) See note to item 20 (*d*) of table 3.

TABLE 5

Item

42. See note to item 26 of table 3.

44. See note to item 4 of table 1.

Item

46. See note to item 20 (*c*) of table 3.

TABLE 6

Item

B.1. Gross saving

B.2. Includes investment by public enterprises.

E.1. Interest on the public debt, benefits from the social security fund, and other government transfer payments (items 17 (*a*) and 17 (*b*) (ii) of table 2).

E.2. Interest on the public debt and government subsidies (items 8 and 9 (*a*) of table 1).

Item

E.3. Capital levy (item 26 of table 3).

E.4. Capital transfers by government (item 20 (*c*) of table 3).

E.5. Interest payments on the public debt and other financial transfers by government (items 20 (*a*) (iii) and 20 (*d*) of table 3).

TABLE 7

Item

1. For 1947, equals total of column *(2)*, section A of table 8.

2. For 1947, equals total of column *(4)*, of addendum to table 8, part A, plus items A1 and A6 of addendum to table 8, part B.

3. For 1947, equals item A3 of column *(4)* of table 8.

4. For 1947, equals total of column *(8)*, section A, plus item A3 of column *(6)* of table 8.

5. For 1947, equals sum of totals of column *(10)* of sections A and B, less sum of totals of column *(9)* of sections A and B of table 8.

7. For 1947, item A3 of column *(6)* plus part of item A3 of column *(4)* (of which 45 thousand million francs is depreciation, as can be seen from section C, column *(4)* of addendum to table 8, part A).

Item

10. For 1947, indirect taxes amounted to 389 thousand million francs, and subsidies received by business amounted to 69 thousand million francs, as can be seen from line 14 of addendum to table 8, part B.

10. (*a*) For 1947, equals item 13 of column *(6)* of addendum to table 8, part B.

10. (*b*) For 1947, equals item A1 plus that part of item A6 paid on behalf of government personnel (19 thousand million francs) of addendum to table 8, part B.

10. (*c*) For 1947, equals sum of items A1 and B8 of column *(10)*, less items A1 and C9 of column *(9)* of addendum to table 8, part B.

TABLE 10

Item

1. Includes forestry and fisheries.

10. Hotels, domestic servants, laundries, entertainment, professions, etc.

11. Corresponds to item 10 (*a*) of table 7.

Item

12. Differs from indirect taxes of table 7 since the tax on dwellings paid by occupants is included as an indirect tax in table 10 but not in table 7.

15. Includes maintenance expenditure by government.

Sources

(1) Dr. Paul Jostock, *Die Berechnung des Volkseinkommens und ihr Erkenntniswert,* Schriften der Deutschen Wirtschaftswissenschaftlichen Gesellschaft, Band 7, Stuttgart and Berlin, 1941. (The Evaluation of National Income and its Significance.)

(2) Ferdinand Grünig, "Volkswirtschaftliche Bilanzen 1936 und 1947", *Vierteljahrshefte zur Wirtschaftsforschung,* 1948, no. 1, Berlin 1948, pp. 5-43. (National Balance Sheets, 1936 and 1947.)

(3) Dr. O. Schörry, "Volkseinkommen und Sozialprodukt des Vereinigten Wirtschaftsgebietes im Jahre 1936 und im zweiten Halbjahr 1948", *Wirtschaft und Statistik,* vol. I, no. 4, July 1949, pp. 94-99. (National Income and National Product of the Bi-zone, 1936 and Second Half of 1948.)

Owing to the absence of sufficient basic economic and financial statistics for the immediate post-war period, national income estimates for those years should be considered as approximative and provisional. Since the concepts used and the methods of estimation are in the process of being revised, the pre-war estimates will not be included in this summary. For a description of these figures and the methods of estimation used, reference is made to source (1).

Of the studies published in the post-war years, the article mentioned under (2) presents the estimates of the national income and its components in great detail, together with a description of the conceptual and statistical revisions now being considered. Tables 1 to 3, which have been taken from this source, show the breakdown of national income by industrial origin, by distributive shares and by types of final expenditure for the four occupation zones and Berlin, and for all zones combined for 1936 and 1947, as well as for the pre-war territory for the year 1936.

In the case of the estimates made before the war the national income totals were obtained by a mixed method of estimation, and consequently it is not possible to show any of the three classifications separately. In preparing the new estimates shown in source (2), the year 1936 has been chosen as a base since, for that year, statistical data are available in great detail, making possible the construction of various breakdowns and cross-classifications by geographical areas and also for the country as a whole. The national income figure thus obtained for the pre-war territory for 1936 differs somewhat from the official estimate for that year made before the war, owing to certain conceptual and statistical revisions.

The concept underlying the pre-war estimates may be described as the aggregate of all income payments to factors of production, including government wages and salaries and including corporate profits *after* taxes, plus an adjustment briefly designated as "taxes not included in private income". The nature of this adjustment may be briefly explained as follows.

The national income concept used is based on the principle that a distinction has to be made between government expenditure on services rendered to producers and expenditure on behalf of consumers or for capital formation. The former are considered an overhead cost of the economy, and the latter as a component of national expenditure, or as transfers. Three groups of final expenditure may be distinguished:

(*a*) Transfers, such as interest on war debts, relief payments, pensions to veterans, benefits to disabled persons, reparations to other governments, etc;

(*b*) All forms of government net capital formation, including increases of various funds, credits to building societies, etc. Credits obtained from abroad, depletion of reserves and sales of assets must be deducted;

(*c*) Government current expenditure on goods and services on behalf of consumers such as on public education, social welfare, housing, health, arts and sciences, etc. The concept of gov-

ernment final services used was a very limited one, excluding for example all expenditure on the judiciary and the police, and on defense and the armed forces.

Items of public revenue paid out of total private income are:

(*d*) Personal income tax, corporation and property taxes, death duties and certain other taxes considered similar to direct taxes;

(*e*) Stamp duties and fees paid by consumers;

(*f*) Domestic loans and credits obtained by the government;

(*g*) Gifts and special contributions, certain repayments, etc;

(*h*) Profits of public enterprises, accruing to the government.

The sum of items (*d*) to (*h*) has been deducted from items (*a*) to (*c*), and the difference thus obtained is the adjustment for "taxes not included in private income" mentioned before. For 1936 the adjustment amounts to 2,300 million RM.

The concept used in the post-war study (source (2)) differs from the definition underlying the official pre-war estimates in the following way. The breakdown by industries (*cf.* table 1) refers to the net output of the private sector only, including indirect taxes but excluding all government general services rendered without charge to the recipients. This results, according to the author, in an increase of 3,200 million for 1936.[1] Statistical revisions of various items for 1936 are as follows:

Corporate profits	4.1 instead of 2.3 billion RM
Interest, rents on lands and buildings	4.0 instead of 3.7 billion RM
Entrepreneurial incomes	19.3 instead of 16.5 billion RM
National income[2]	74.0 instead of 65.9 billion RM

The accounts of national income and expenditure for 1947 exclude all black market transactions.

The publication mentioned as source (3) contains preliminary estimates of the national income for the Bi-zone in the second half of 1948, and for the pre-war territory in 1936 which are not shown here. Starting from the official concept used in the pre-war period, certain adjustments have been made to arrive at national income at factor cost. The expression "gross national product" is used to indicate what is more often termed "total available resources", i.e., gross national product *plus* aid and credits obtained from abroad.

[1] This may be verified roughly as follows. According to table 2, item 4, and footnote, indirect taxes plus paid government services to persons minus subsidies amounted to 11,700 million RM in 1936. Included in the earlier pre-war estimate were an adjustment of 2,300 million RM for "taxes not included in private income", and government wages and salaries estimated at 6,600 million RM, while corporate profits were included after taxes (which may be estimated at 400 million RM). Hence, the difference between the new and the earlier figure for 1936, to the extent it depends on conceptual revisions, equals 11,700—2,300—6,600+400=3,200 million RM.

[2] Increase due to change in concept 3.2 billion RM; statistical revisions 4.9 billion RM.

GERMANY

TABLE 1

National Income at Market Prices by Industrial Origin

(millions of Reichsmarks)

	Bi-zone		*French zone*[1]		*Soviet zone*		*Berlin*		*Four zones and Berlin*		*Germany Total pre-war*
	1936	*1947*	*1936*	*1947*	*1936*	*1947*	*1936*	*1947*	*1936*	*1947*	*1936*
1. Agriculture and forestry	4,400	4,000	750	600	2,500	2,000	30	60	7,680	6,660	9,900
2. Manufacturing excl. food processing	10,200	8,500	1,350	720	4,700	3,700	1,800	900	18,050	13,820	9,500
3. Food processing	1,100	900	210	170	500	500	150	100	1,960	1,670	2,100
4. Building and construction.....	1,900	2,200	250	210	1,200	1,000	250	300	3,600	3,710	4,000
5. Handicrafts	3,100	4,200	360	370	1,400	2,900	660	540	5,520	8,010	6,000
6. Power production	700	800	80	80	300	400	160	160	1,240	1,440	1,400
7. Commerce and transportation....	9,000	8,800	1,090	750	3,600	3,700	2,470	1,400	16,160	14,650	18,400
8. Professions	1,400	1,400	250	250	600	800	530	450	2,780	2,900	3,200
9. Services for the occupation Powers	—	1,700	—	140	—	400	—	300	—	2,540	—
10. Domestic services	500	400	60	60	200	200	100	50	860	710	1,000
11. Dwellings	2,300	1,800	300	250	900	800	350	250	3,850	3,100	4,500
12. Customs duties and excises.....	2,000	2,300	300	400	900	3,600	300	290	3,500	6,590	4,000
13. TOTAL	36,600	37,000	5,000	4,000	16,800	20,000	6,800	4,800	65,200	65,800	74,000
14. Correction for insufficient depreciation	—	—2,000	—	—200	—	—1,000	—	—300	—	—3,500	—
15. NATIONAL INCOME AT MARKET PRICES	36,600	35,000	5,000	3,800	16,800	19,000	6,800	4,500	65,200	62,300	74,000

[1] Excl. Saar-territory.

Source: (2) on page 80.

TABLE 2

National Income at Market Prices by Distributive Shares

(thousand millions of Reichsmarks)

	1947					1936
	Bi-zone	*French zone*[1]	*Soviet zone*	*Berlin*	*Four zones and Berlin*	*Total pre-war Germany*
1. Wages and salaries	20.1	1.8	10.2	2.8	34.9	33.6
2. Profits of unincorporated enterprises and imputed income of family members	8.7	1.1	3.5	0.8	14.1	18.8
3. Profits of corporations	0.6	0.1	0.4	0.1	1.2	3.9
4. Indirect taxes and fees, minus subsidies	6.1	0.8	5.3	0.9	13.1	13.0
5. Interest, agricultural and other rents	1.5	0.2	0.6	0.2	2.5	4.7
6. Correction for insufficient depreciation	—2.0	—0.2	—1.0	—0.3	—3.5	—
7. NATIONAL INCOME AT MARKET PRICES	35.0	3.8	19.0	4.5	62.3	74.0

[1] Excluding Saar-territory.
Source: (2) on page 80.

TABLE 3

National Expenditure at Market Prices

(thousand millions of Reichsmarks)

	1947					1936
	Bi-zone	*French zone*[1]	*Soviet zone*	*Berlin*	*Four zones and Berlin*	*Total pre-war Germany*
1. Foodstuffs, beverages etc.	13.5	1.6	8.7	1.5	25.3	25.0
2. Rents of dwellings	2.8	0.4	1.5	0.4	5.1	7.0
3. Durable consumers' goods	7.5	0.5	2.5	1.4	11.9	20.0
4. Services from the private sector	3.5	0.4	1.6	0.5	6.0	8.0
5. Net investment	2.4	—0.2	—1.3	0.1	—1.0	4.0
6. Public purchases of goods and services	1.8	0.2	1.0	0.4	3.4	9.0
7. Occupation costs	4.3	0.9	5.0	0.5	10.7	—
8. Export surplus of goods and services	—0.8	—	—	—0.3	—1.1	1.0
9. NATIONAL INCOME AT MARKET PRICES	35.0	3.8	19.0	4.5	62.3	74.0

[1] Excluding Saar-territory.
Source: (2) on page 80.

NOTES TO TABLES

General note: The concept shown in tables 1-3 is national income at market prices less wages and salaries by general government (defined as government services rendered without direct charge to the public).

TABLE 1

Item

8. Includes also those services by government administration which are paid for by private persons. Estimated at 1,000 million RM for pre-war Germany in 1936.

Item

12. Other indirect taxes are included in items 1-11.

TABLE 2

Item

1. Includes wages in kind and employers' contributions to social security. Excludes salaries of civil servants.

Item

2. Includes income in kind in agriculture.

4. Includes surplus of public enterprises estimated at 1,300 million RM in 1936.

Sources

(1) *The National Income of Greece During the Year 1947,* Ministry of Co-ordination, Committee of Investigation of the Greek National Income and Investment, Athens, February 1949 (mimeographed).

(2) *The National Income of Greece and its Composition,* Ch. Evelpides, Athens, 1949 (mimeographed).

(3) Official Press Bulletin No. 188, 3 September 1949.

Source (1) presents estimates of national income at factor cost by industries for the years 1938 and 1947. These same figures, somewhat regrouped, are also shown in source (2), along with total figures for certain earlier years. Source (3) makes available the figures for 1948. Estimates of gross national product and national income at market prices are not available.

For most industries the net value added was ascertained by subtracting from the value of gross output both depreciation charges and the value of goods and services purchased from other industries. In the case of artisans engaged in handicrafts, the professions, government and personal services, the estimates are based primarily on tax statistics indicating income payments originating in these activities. Income originating in the banking and insurance sector is taken as the sum of salaries, taxes and deposit interest paid out reduced by net losses of banks.

Except for the fact that emigrants' remittances are included in net income from abroad, the concept of national income conforms generally to the standard definition. Although income in kind is included in principle, the many varied services performed in households for the benefit of the family (laundry, baking, preserving of foods, gathering of firewood, etc., as well as the more usual chores) could not be evaluated and are therefore reflected in the measures of national income to only a small extent, if at all. Furthermore, numerous activities and sources of income tend to escape reporting in full. Thus, the rents of peasant houses, the services of domestic servants and apprentices serving without payment and receiving only their food, tobacco consumed by producers, who constitute about one-tenth of the population, and the use of peasants' horse-drawn carts to transport products and supplies are only partially covered in the estimates.

The following table presents national income by industrial origin for the years 1938, 1947 and 1948. A total figure for national income in 1939 mentioned in source (2) is 67.3 thousand million drachmas.

GREECE

National Income at Factor Cost

(thousand millions of drachmas)

	1938	*1947*	*1948*
1. Agriculture	25.4	3,792	5,550
2. Forestry and hunting	1.5	120	143
3. Mines and quarries	0.7	38	78
4. Fisheries	0.6	68	125
5. Manufacturing	7.5	1,265	1,962
6. Handicrafts	3.0	450	970
7. Agricultural homecrafts	0.5	75	109
8. Construction	1.8	141	410
9. Land transportation	2.7	397	722
10. Sea transportation	1.1	123	186

GREECE

National Income at Factor Cost

(thousand millions of drachmas)

	1938	*1947*	*1948*
11. Communications	0.3	55	73
12. Trade	8.0	910	1,627
13. Banking and insurance	2.3	168	259
14. Real estate	3.8	11	70
15. Government	4.2	797	1,268
16. Professions and personal services	3.9	551	994
17. Net income from abroad	4.9	149	..
18. NATIONAL INCOME AT FACTOR COST	72.3	9,111	14,546

Sources: (2) and (3) cited on page 84.

NOTES TO TABLE

Item

1. Includes livestock production, excludes fisheries.
3. Includes salt mines.
4. Includes sponge fisheries.
8. Includes public works.
9. Includes civil aviation in 1948 (24.5 thousand million drachmas).
10. Includes stevedoring.
11. Comprises postal, telephone and telegraph services.
15. Excludes most government enterprises.
17. The figure for 1948 is not available. The composition of the figures for 1938 and 1947 is given below (in thousand millions of drachmas):

	1938	*1947*
Emigrant remittances	3.2	92.5
Shipping remittances	1.3	62.3
Net interest and dividends received	0.6	0.6
Less insurance premiums paid abroad	0.1	5.9

HUNGARY

Sources

(1) *Hungarian Statistical Review,* No. 7, Budapest, 1941.

(2) *A Magyar Gazdaságkutató Intézet, Közleményei,* Budapest, 31 March 1947. (Bulletin of the Hungarian Institute of Economic Research.)

Table 1, taken from source (1), contains national income figures for Hungary for the years 1938 and 1939 based on the method of Professor Frigyes Fellner. National income is defined as the aggregate net value at factor cost of all material goods produced during a year, including net income from abroad. All services rendered by commerce, and that part of transportation services which is reflected in the value of final material products, are included in this national income concept. Services rendered to consumers by business and government are, however, excluded as "unproductive".

The figures presented in table 2 covering the years 1938/39 to 1943/44 and 1946/47 are taken from source (2) and are estimated on the basis of the national income concept established by Professor Stefan Varga.[1] National income is defined as the market value of goods and certain services available for consumption and investment after allowance for the consumption of capital, and includes net income from abroad. With the exception of such services to persons as housing and entertainment, personal services are generally not included. Medical, legal, educational and governmental services (excluding those of public enterprises) are disregarded on the ground that, while not unproductive, they are essentially overhead costs of maintaining the economy.

[1] *The National Income of Hungary 1924/25-1936/37* by M. Matolcsy and S. Varga, London, 1938.

HUNGARY

TABLE 1

National Income at Factor Cost

(millions of pengös)

	1938	*1939*
1. Primary production	1,868	2,369
(*a*) Agriculture	1,744	2,193
(*b*) Hunting and fishing	9	12
(*c*) Mining and smelting	115	164
2. Industry	1,691	2,014
(*a*) Manufacturing	1,257	1,554
(*b*) Handicrafts	434	460
3. Commerce and transport	390	493
(*a*) Commerce	187	242
(*b*) Transport	203	251
4. Net income from abroad	—27	—27
5. NATIONAL INCOME AT FACTOR COST	3,922	4,849

Source: (1) cited on page 85.

TABLE 2

National Income at Market Prices

(millions of pengös)

	1938	*1939*	*1940*	*1941*	*1942*	*1943*	*1946*
1. Agriculture	1,745	2,029	2,142	2,502	2,808	4,230	3,038
2. Mining and smelting	106	124	152	204	284	391	367
3. Manufacturing	1,242	1,500	1,842	2,311	3,314	5,062	3,122
4. Handicrafts and home crafts	598	642	721	925	1,109	1,829	1,954
5. Commerce	463	468	529	647	819	1,254	1,210
6. Housing	451	461	475	484	492	498	650
7. Other items	587	716	882	1,238	1,522	2,167	1,475
8. NATIONAL INCOME AT MARKET PRICES	5,192	5,940	6,743	8,311	10,348	15,431	11,816

Source: (2) as cited on page 85.

NOTES TO TABLES

TABLE 1

Item

1. (*a*) Includes horticulture and forestry.

Item

4. Covers net interest and dividends received from abroad, emigrants' remittances, and other minor items.

TABLE 2

Item

General note: All figures relate to fiscal years beginning 1 July of year stated. The figure for 1946/47 is given in million forints. The territory covered by the table is that of 31 March 1947.

Item

7. Includes transportation services to consumers (transportation services to business are included in items 1 to 5), entertainment, indirect taxes less subsidies, net interest and dividends from abroad, and a deduction for the outlay of government and local authorities on road maintenance.

INDIA

Source

(1) *National Income of British India and the Union Provinces, 1945-46,* Ministry of Commerce, Government of India, New Delhi, 1949.

(2) Memorandum submitted by Government of India, February 1950.

The concept of national income used is that of national income produced within India, i.e., net income received from abroad is not included. For this reason the estimates shown below are designated as net geographical product at factor cost. In arriving at net geographical product, incomes both of nationals and non-nationals residing in the areas covered have been included.

The estimates cover the two fiscal years 1945/46 and 1946/47. For the year 1945/46, separate figures are shown for:

(1) British India, consisting of the Indian Provinces prior to partition, exclusive of the Indian States and Burma, and

(2) The Union Provinces after partition exclusive of the Indian States incorporated into India.

Different methods have been used in estimating income originating in primary and non-primary production. For primary production, the net value added has been estimated on the basis of statistics of agricultural production and similar sources for other branches of economic activity; the contribution to national income of non-primary production has been evaluated by estimating the income accruing to the factors of production engaged in these activities.

In arriving at net geographical product, it is specified that the following items are included:

(1) Net rent of owner-occupied houses;

(2) Farmers' consumption of own produce, valued at prices received at harvest time;

(3) Payments in kind to domestic servants, factory workers, etc.;

(4) Government services, valued at wages and salaries paid out;

(5) Income in money and in kind of the armed forces, whether serving in India or abroad (food and clothing are the only items included in income in kind);

(6) Pensions of retired government personnel;

(7) Profits minus losses of government-owned enterprises;

(8) Interest on productive government debt.

Receipts from unilateral international transactions, such as deliveries under lend-lease, mutual aid, reparations, etc., have not been included in geographical product. Income from illegal, immoral and black-market transactions has also been excluded.

It proved to be impossible to prepare comparable estimates for the Indian States, mainly owing to the approximative character of the statistics of the gainfully employed in these areas.

Net Geographical Product at Factor Cost

(millions of rupees)

	British India	*Union Provinces*	
	1945/46	*1945/46*	*1946/47*
A. Primary production			
1. Net output of agriculture and of animal husbandry			
(*a*) Output of agriculture	31,200	22,400	25,030
(*b*) Output of animal husbandry	6,700	4,680	5,210
(*c*) Less:			
(i) Seeds and wastage	2,450	1,770	2,030
(ii) Maintenance of cattle (roughage and concentrates)	7,140	5,010	5,010
(iii) Repair and depreciation of agricultural implements	500	400	400
(iv) Interest on agricultural debt	360	270	270
2. Net output of forest products	120	90	460
3. Net output of mining	380	370	610
Total	27,950	20,090	23,600
B. Non-primary production			
4. Income assessed to tax			
(*a*) From government sources			
(i) Compensation	850	590	720
(ii) Pensions	30	20	20
(iii) Interest on securities	120	100	110
(*b*) From non-government sources			
(i) Excess profits charged to tax	850	800	950
(ii) Less profits of mining companies	40	40	100
(iii) All other incomes assessed to tax	4,020	3,920	4,020
(iv) Less income of persons employed in mining	40	40	60
5. Income not assessed to tax			
(*a*) From government sources			
(i) Compensation	3,430	2,330	2,330
(ii) Payment in kind to military personnel	540	360	320
(iii) Pensions	150	110	110
(iv) Interest on productive debt	220	200	160
(v) Net profits of government-owned enterprises	690	580	510
(*b*) From non-government sources			
(i) House rent	900	740	830
(ii) Interest on agricultural debt	360	270	270
(iii) Wages and salaries, and entrepreneurial incomes	22,310	19,280	21,630
Total	34,390	29,220	31,820
C. Net geographical product at factor cost	62,340	49,310	55,420

NOTES TO TABLE

General note: All figures relate to the fiscal year starting 1 April of year stated.

Item

1. (*a*) Agricultural production statistics have been used whenever available. For all other crops estimates have been used. In general, agricultural production has been valued at harvest prices except for a few commodities (e.g., wheat has been valued at procurement prices, ragi at the average price in the producing centres of Madras Province, sugarcane at the weighted average price paid by the sugar factories to cane growers, tea at the weighted average price for domestic consumption at Calcutta, declared values of exports, etc.).

1. (*b*) Based on information in commodity marketing reports.

1. (*c*) (i) Estimated at 10 per cent of the gross value of agricultural production excluding fodder crops.

1. (*c*) (ii) Includes the value of fodder and an estimate of the costs of concentrates.

1. (*c*) (iii) Estimates based on the number of ploughs and bullock carts, assuming that the average life of a plough is three years and of a cart ten years. The total cost of repairs has been estimated on the basis of an average annual repair cost of Rs.3 per plough and Rs.10 per cart.

1. (*c*) (iv) See note to item 5 (*b*) (ii).

2. The figures for British India are based on information for the year 1943-44 supplied by the Ministry of Agriculture. The figures for the Union Provinces have been obtained by adjusting the figures for British India for the seceding territories in proportion to forest areas. The value figures have been raised by 65 per cent to allow for increased prices as shown by export statistics; for 1946/47 based on price data of the Ministry of Industry and Supply.

3. Based on information supplied by the Geological Survey of India.

4. (*b*) (ii) Profits of mining companies assessed to tax have to be deducted to avoid double-counting with item 3.

4. (*b*) (iv) Income of persons employed in the mining industry and assessed to income tax has been estimated at 10 per cent of the total value of output as judged from profit and loss accounts. This income must be deducted to avoid double-counting with item 3.

Item

5. (*a*) (ii) The figures represent the cost of food and clothing (including upkeep) supplied.

5. (*a*) (iv) Interest on productive debt paid by central and provincial Governments, of which 80 per cent has been paid by railways.

5. (*b*) (i) Based on the number of occupied houses in rural and urban areas, assuming a net annual rent of Rs.10 for a rural house and Rs.120 for an urban house, and that only 50 per cent of the rural houses can have a rental value.

5. (*b*) (ii) Interest on agricultural debt, which is a cost item for farmers, has been deducted from primary production and is included in non-primary production, not assessed to tax. See item 1 (*c*) (iv).

5. (*b*) (iii) The distribution of urban and rural labour income and other income not assessed to income tax is as follows (in millions of rupees):

	British India	*Union Provinces*	
	1945/46	*1945/46*	*1946/47*
Urban incomes			
Factory labour	1,640	1,510	1,230
Domestic service and other unskilled labour	2,590	1,820	3,260
Industry, trade, private transport and professions	7,260	6,820	6,710
Rural incomes			
Cottage industry, trade and village professions	10,820	9,130	10,430
Total	22,310	19,280	21,630

The figures for factory labour income include cost of living allowances and other allowances paid in cash, but exclude income in kind, such as foodstuffs at cheap rates, rent-free house accommodation, etc., which may be estimated at 10 per cent of the cash wages received. The income of agricultural labour has been accounted for under net output of agriculture (item 1) and has been excluded from rural incomes shown above.

INDONESIA

Source

(1) "De nationale rekeningen voor Nederlandsch Indië, 1938", *Statistical and Econometric Studies*, vol. 3, no. 2, June 1948, Central Bureau of Statistics, The Hague, pp. 61-75.[1] (The National Accounts of the Netherlands Indies, 1938.)

The National Accounts

In constructing a social accounting system for Indonesia for the year 1938 the dual character of the economy of this country prior to the Second World War has been taken into account by setting up separate accounts for the Indonesian and the non-Indonesian sectors. The term non-Indonesians is used here to indicate Europeans, Chinese and other foreign Asiatics. In the case of

[1] For a summary in English of this study see "National Accounts for the Netherlands Indies in 1938", *Special Statistical Communications*, no. 4002, the Netherlands Central Bureau of Statistics, August 1949.

agriculture and mining the distinction between Indonesian and non-Indonesian enterprises is not difficult to make since the basic statistics are usually set up in that way. However, in drawing the borderline between Indonesian and non-Indonesian industrial enterprises the approximative assumption had to be made that all handicrafts and small-scale industries may be classified as Indonesian, and all manufacturing enterprises as non-Indonesian. In the accounts for business enterprises (tables 1-4) government-owned enterprises have been combined with the non-Indonesian group.

Separate accounts have been set up for financial enterprises, comprising all banks, including the central bank, and public undertakings, such as the Postal Savings Bank, the People's Credit Bank and the government pawnshops (tables 5-6). A separate account has also been set up for the pension funds located in Indonesia (table 7). In principle this sector ought to include also insurance companies and social security funds, but these groups are of minor significance only and sufficient information is not available. The pension funds with head offices in the Netherlands and elsewhere for retired public and private personnel from Indonesia are not included in this account. Transactions with those funds are recorded in the "rest of the world account".

The accounts for the government sector include the central government, autonomous principalities and all local authorities (tables 8-9).

The accounts for Indonesian and non-Indonesian consumers include charitable institutions and other non-profit organizations (tables 10-11). The income in kind of the Indonesian population appears as income and as consumers' expenditure.

Various items appearing in the rest of the world account (table 12) are not necessarily equal to corresponding items for the Netherlands, since several items in table 12 include transactions with the Netherlands *and* other countries. Furthermore, transactions with non-residents in the Netherlands will not appear in the national income of that country.

Table 13 presents a breakdown of the national income by distributive shares and by sectors in which these payments originate. The table shows the net geographical product, which after adjusting for net income payable abroad, results in national income at factor cost. In principle, the treatment of the various items entering into net income payable abroad is symmetrical with the treatment of corresponding items in the national income account of the Netherlands.[1]

Dividends and interest received by banks and factor incomes paid by banks appear in the national income account in table 13. This treatment of the banking sector is tantamount to assuming that banks are providers of final services to the economy as a whole. The procedure is not to be confused with the known practice of imputing to the banks' customers charges for services rendered free, offset by imputed interest payments, a method which would lead to a lower national income total than that shown in table 13.

The gross and net national expenditure at market prices and the relationship to national income at factor cost are shown in table 14, where the various items have been treated in accordance with the principles underlying the items in the social accounts.

The concept of national income used in this study differs from that in an earlier study by Dr. J. J. Polak.[2] Whereas the national income concept used by Dr. Polak excluded interest payable abroad but included profits of foreign corporations operating in Indonesia, these profits are now also excluded in accordance with generally adopted standards. Other differences in the figures for 1938 are explained by the different treatment of the banking sector and by revisions of the basic data.

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[1] A minor difference arises in the case of insurance premiums which are included in net income from abroad in the revised account for the Netherlands, but not included in item 5 in table 13. The latter treatment may be preferred since insurance premiums paid abroad do not constitute factor income in the paying country but are to be interpreted as foreign investment.

[2] Dr. J. J. Polak, "Het nationale inkomen van Nederlandsch Indië, 1921-1939," *Statistische en Econometrische Onderzoekingen*, vol. 2, no. 4, December 1947, Centraal Bureau voor de Statistiek, The Hague, pp. 104-108. (National Income of the Netherlands Indies.) *Cf. National Income Statistics of Various Countries, 1938-1947*, pp. 73-74.

TABLE 1

Operating Account of Indonesian Business Enterprises

(millions of guilders)

EXPENDITURES	*1938*	*RECEIPTS*	*1938*
1. Factor costs		5. Sales of goods and services to	
(*a*) Wages, salaries and entrepreneurial incomes of Indonesians		(*a*) Indonesian consumers (70*a*)	1,315
(i) In money (73*ci*)	573	(*b*) Non-Indonesian consumers (80*a*)	76
(ii) In kind (73*cii*)	870	(*c*) Non-Indonesian enterprises, on current account (15*c*)	80
(*b*) Wages, salaries and entrepreneurial income of non-Indonesians (83*c*)	18	(*d*) Abroad (89*ai*)	183
(*c*) Interest to banks (30*a*)	6	6. Sales of capital goods (8*a*)	26
2. Other costs			
(*a*) Indirect taxes (52*a*)	30		
(*b*) Depreciation allowances (10)	40		
3. Purchases of goods and services			
(*a*) From non-Indonesian enterprises (17*f*)	93		
(*b*) From abroad (95*ai*)	50		
4. Total	1,680	7. Total	1,680

TABLE 2

Capital Account of Indonesian Business Enterprises

(millions of guilders)

EXPENDITURES	*1938*	*RECEIPTS*	*1938*
8. Purchases of capital goods		10. Depreciation allowances (2*b*)	40
(*a*) From Indonesian enterprises (6)	26	11. Loans from banks (34*b*)	2
(*b*) From non-Indonesian enterprises (18*a*)	16		
9. Total	42	12. Total	42

TABLE 3

Operating Account of Non-Indonesian Enterprises

(millions of guilders)

EXPENDITURES	*1938*	*RECEIPTS*	*1938*
13. Factor costs		17. Sales of goods and services to	
(*a*) Wages and salaries		(*a*) Indonesian consumers (70 *b*)	393
(i) To Indonesians (73 *d*)	379	(*b*) Non-Indonesian consumers (80 *b*)	371
(ii) To non-Indonesians (83 *d*)	514	(*c*) Government (46 *ai*)	134
(iii) Payable abroad (95 *d*)	27	(*d*) Banks (28)	6
(*b*) Employers' contributions to pension funds		(*e*) Abroad (89 *aii*)	477
(i) Abroad (99 *b*)	1	(*f*) Indonesian enterprises on current account (3 *a*)	93
(ii) In Indonesia (42 *d*)	2	18. Sales of capital goods	
(*c*) Interest and dividends		(*a*) To Indonesian enterprises (8 *b*)	16
(i) To non-Indonesians (84 *b*)	15	(*b*) To non-Indonesian enterprises (21 *a*)	184
(ii) To the Government (55 *b*)	61	19. Government subsidies (48)	5
(iii) To banks (30 *b*)	20		
(iv) Payable abroad (95 *bii*)	111		
(*d*) Undistributed profits (95 *c*)	40		
(*e*) Profit taxes (51 *c*)	37		
(*f*) Royalties (53 *a*)	24		
14. Other costs			
(*a*) Indirect taxes (52 *b*)	144		
(*b*) Depreciation allowances (24)	148		
(*c*) Transfer payments abroad (100 *b*)	9		
15. Purchases of goods and services from			
(*a*) Government (56)	19		
(*b*) Banks (31)	3		
(*c*) Indonesian enterprises (5 *c*)	80		
(*d*) Abroad (95 *aii*)	45		
16. Total	1,679	20. Total	1,679

TABLE 4

Capital Account of Non-Indonesian Enterprises

(millions of guilders)

EXPENDITURES	*1938*	*RECEIPTS*	*1938*
21. Purchases of capital goods		24. Depreciation allowances (14 *b*)	148
(*a*) From non-Indonesian enterprises (18 *b*)	184	25. Loans from abroad (92 *a*)	99
(*b*) From abroad (95 *aii*)	41		
22. Government disinvestment in non-Indonesian enterprises (63)	22		
23. Total	247	26. Total	247

TABLE 5

Operating Account of Financial Intermediaries

(millions of guilders)

EXPENDITURES	*1938*	*RECEIPTS*	*1938*
27. Factor costs		30. Interest and dividends from	
(*a*) Wages and salaries		(*a*) Indonesian enterprises (1 *c*)	6
(i) To Indonesians (73 *b*)	6	(*b*) Non-Indonesian enterprises (13 *ciii*)	20
(ii) To non-Indonesians (83 *b*)	13	(*c*) Abroad (89 *bii*)	3
(*b*) Dividends		31. Sales of goods and services to non-Indonesian enterprises (15 *b*)	3
(i) To non-Indonesians (84 *a*)	1	32. Transfer income (interest) from	
(ii) To the government (55 *a*)	8	(*a*) Indonesian consumers (68 *a*)	10
(iii) Payable abroad (95 *bi*)	5	(*b*) Government (47 *aii*)	1
(*c*) Undistributed profits (36)	4		
28. Purchases of goods and services from non-Indonesian enterprises (17 *d*)	6		
29. Total	43	33. Total	43

TABLE 6

Capital Account of Financial Intermediaries

(millions of guilders)

EXPENDITURES	*1938*	*RECEIPTS*	*1938*
34. Loans to		36. Undistributed profits (27 *c*)	4
(*a*) Indonesian consumers (75)	4	37. Saving	
(*b*) Indonesian enterprises (11)	2	(*a*) Indonesians (71)	2
(*c*) Government (64 *a*)	2	(*b*) Non-Indonesians (86)	—3
		38. Gold and silver (balance) (93)	5
35. Total	8	39. Total	8

TABLE 7

Revenue Account of Indonesian Pension Funds

(millions of guilders)

EXPENDITURES	*1938*	*RECEIPTS*	*1938*
40. Pensions paid to		42. Contributions by	
(*a*) Indonesians (74 *a*)	18	(*a*) Indonesians (69)	1
(*b*) Non-Indonesians (85 *b*)	25	(*b*) Non-Indonesians (79)	8
		(*c*) Government (46 *bii*)	30
		(*d*) Non-Indonesian enterprises (13 *bii*)	2
		43. Transfer income (interest on government debt) (47 *aiv*)	1
		44. Redemption of government debt (59 *c*)	1
41. Total	43	45. Total	43

TABLE 8

Revenue Account of Government

(millions of guilders)

EXPENDITURES	*1938*	*RECEIPTS*	*1938*
46. Purchases of goods and services		51. Direct taxes	
(*a*) From business enterprises		(*a*) Indonesians (67 *a*)	47
(i) Non-Indonesian (17 *c*)	134	(*b*) Non-Indonesians (77 *a*)	38
(ii) Abroad (97)	53	(*c*) Non-Indonesian enterprises (13 *e*)	37
(*b*) Direct services		52. Indirect taxes	
(i) Wages and salaries		(*a*) Indonesian enterprises (2 *a*)	30
To Indonesians (73 *a*)	119	(*b*) Non-Indonesian enterprises (14 *a*)	144
To non-Indonesians (83 *a*)	86	(*c*) Export duties (91)	25
(ii) Contributions to pension funds		53. Miscellaneous	
In the Netherlands (99 *a*)	20	(*a*) Royalties by non-Indonesian enterprises (13 *f*)	24
In Indonesia (42 *c*)	30	(*b*) Fees, fines by	
47. Transfer payments		(i) Indonesians (67 *b*)	6
(*a*) Interest		(ii) Non-Indonesians (77 *b*)	8
(i) To non-Indonesians (85 *a*)	4	54. Subsidies from the Netherlands Government (90)	11
(ii) To banks (32 *b*)	1	55. Investment income from	
(iii) Payable abroad (100 *a*)	38	(*a*) Banks (27 *bii*)	8
(iv) To pension funds in Indonesia (43)	1	(*b*) Non-Indonesian enterprises (13 *cii*)	61
(*b*) All other (85 *c*)	2	(*c*) Abroad (89 *bi*)	15
48. Subsidies to non-Indonesian enterprises (19)	5	56. Sales of goods and services to non-Indonesian enterprises (15 *a*)	19
49. Transfer to capital account (65)	12	57. Deficit on current account (61)	32
50. Total	505	58. Total	505

TABLE 9

Capital Account of Government

(millions of guilders)

EXPENDITURES	*1938*	*RECEIPTS*	*1938*
59. Redemptions		63. Disinvestment in non-Indonesian enterprises (22)	22
(*a*) To non-Indonesians (87)	2	64. Loans from	
(*b*) Payable abroad (101)	40	(*a*) Banks (34 *c*)	2
(*c*) To Indonesian pension funds (44)	1	(*b*) Abroad (92 *b*)	42
60. Purchases of gold and silver abroad (102)	3	65. Transfer from revenue account (49)	12
61. Deficit on current account (57)	32		
62. Total	78	66. Total	78

TABLE 10

Revenue Account of Indonesians

(millions of guilders)

EXPENDITURES	*1938*	*RECEIPTS*	*1938*
67. Personal taxes		73. Wages, salaries and entrepreneurial incomes	
(*a*) Income taxes (51 *a*)	47	(*a*) Government (46 *bi*)	119
(*b*) Fees, fines (53 *bi*)	6	(*b*) Banks (27 *ai*)	6
68. Transfer payments		(*c*) Indonesian enterprises	
(*a*) Interest to banks (32 *a*)	10	(i) In money (1 *ai*)	573
69. Contributions to Indonesian pension funds (42 *a*)	1	(ii) In kind (1 *aii*)	870
70. Purchases of goods and services from		(*d*) Non-Indonesian enterprises (13 *ai*)	379
(*a*) Indonesian enterprises (5 *a*)	1,315	74. Transfer income	
(*b*) Non-Indonesian enterprises (17 *a*)	393	(*a*) Pensions from Indonesian pension funds (40 *a*)	18
(*c*) Abroad (96 *a*)	195	75. Loans from banks (34 *a*)	4
71. Saving in banks (37 *a*)	2		
72. Total	1,969	76. Total	1,969

TABLE 11

Revenue Account of Non-Indonesians

(millions of guilders)

EXPENDITURES	*1938*	*RECEIPTS*	*1938*
77. Personal taxes		83. Wages and salaries and entrepreneurial incomes from	
(*a*) Income taxes (51 *b*)	38	(*a*) Government (46 *bi*)	86
(*b*) Fees, fines (53 *bii*)	8	(*b*) Banks (27 *aii*)	13
78. Transfer payments abroad (100 *c*)	21	(*c*) Indonesian enterprises (1 *b*)	18
79. Contributions to Indonesian pension funds (42 *b*)	8	(*d*) Non-Indonesian enterprises (13 *aii*)	514
80. Purchase of goods and services from		84. Interest and profits from	
(*a*) Indonesian enterprises (5 *b*)	76	(*a*) Banks (27 *bi*)	1
(*b*) Non-Indonesian enterprises (17 *b*)	371	(*b*) Non-Indonesian enterprises (13 *ci*)	15
(*c*) Abroad (96 *b*)	140	85. Transfer income	
81. Foreign investment		(*a*) Interest on government debt (47 *ai*)	4
(*a*) Life-insurance premiums paid abroad (98 *a*)	8	(*b*) Pensions from Indonesian pension funds (40 *b*)	25
(*b*) Purchases of securities (98 *b*)	13	(*c*) Other transfer payments (47 *b*)	2
		86. Dissaving (in banks) (37 *b*)	3
		87. Redemption of government debt (59 *a*)	2
82. Total	683	88. Total	683

TABLE 12

Rest of the World Account

(millions of guilders)

EXPENDITURES	*1938*	*RECEIPTS*	*1938*
89. Purchases of goods and services		95. Sales of goods and services	
(*a*) Exports by		(*a*) Imports by	
(i) Indonesian enterprises (5 *d*)	183	(i) Indonesian enterprises (3 *b*)	50
(ii) Non-Indonesian enterprises (17 *e*)	477	(ii) Non-Indonesian enterprises	
(*b*) Interest and dividends to		(1) On current account (15 *d*)	45
(i) Government (55 *c*)	15	(2) On capital account (21 *b*)	41
(ii) Banks (30 *c*)	3	(*b*) Interest and dividends paid by	
90. Subsidies by the Netherlands Government (54)	11	(i) Banks (dividends) (27 *b*iii)	5
91. Export duties (52 *c*)	25	(ii) Non-Indonesian enterprises (13 *c*iv)	111
92. Loans to		(*c*) Undistributed profits of non-Indonesian enterprises (13 *d*)	40
(*a*) Non-Indonesian enterprises (25)	99	(*d*) Wages and salaries in directors' head offices abroad (13 *a*iii)	27
(*b*) Government (64 *b*)	42	96. Receipts from persons	
93. Balance of gold and silver transactions with banks (38)	5	(*a*) Indonesians (70 *c*)	195
		(*b*) Non-Indonesians (80 *c*)	140
		97. Receipts from the Government (46 *a*ii)	53
		98. Foreign investment by residents of Indonesia	
		(*a*) Life insurance premiums paid abroad (81 *a*)	8
		(*b*) Purchases of securities (81 *b*)	13
		99. Contributions to pension funds abroad by	
		(*a*) Government (46 *b*ii)	20
		(*b*) Non-Indonesian enterprises (13 *b*i)	1
		100. Transfer incomes received from	
		(*a*) Government (interest) (47 *a*iii)	38
		(*b*) Non-Indonesian enterprises (pensions) (14 *c*)	9
		(*c*) Non-Indonesian consumers (78)	21
		101. Redemption of Government debt (59 *b*)	40
		102. Balance of gold and silver transactions with the Government (60)	3
94. Total	860	103. Total	860

TABLE 13

National Income by Distributive Shares and by Origin, 1938

(millions of guilders)

	Government	*Indonesian enterprises*	*Non-Indonesian enterprises*	*Banks*	*Rest of the world*	*Total*
1. Wages and salaries						
(*a*) To Indonesians	119	1,443	379	6		1,947
(*b*) To non-Indonesians	86	18	514	13		631
(*c*) Payable abroad			27			27
						2,605
2. Interest and profits						
(*a*) Government						
1. Interest and profits			61	8		69
2. Profit taxes			37			37
3. Royalties, fees			24			24
(*b*) To the "rest of the world"						
1. Dividends			111	5		116
2. Undistributed profits			40			40
(*c*) To banks		6	20	4		30
(*d*) To non-Indonesians			15	1		16
						332
3. (*a*) Contributions to Indonesian pension funds						
(i) In Indonesia	30		2			32
(ii) In the Netherlands	20		1			21
(*b*) Pensions payable abroad			9			9
						62
4. NET GEOGRAPHICAL PRODUCT AT FACTOR COST	255	1,467	1,240	37		2,999
5. Income payable abroad						
(*a*) Dividends			111	5		116
(*b*) Undistributed profits			40			40
(*c*) Wages and salaries			27			27
(*d*) Contributions to pension funds in the Netherlands	20		1			21
(*e*) Pensions payable abroad			9			9
(*f*) Interest on government debt					38	38
						251
6. Income received from abroad						
(*a*) By the Government					15	15
(*b*) By banks					3	3
						18
7. NATIONAL INCOME AT FACTOR COST (4—5+6)	235	1,467	1,052	32	—20	2,766

TABLE 14

Gross and Net National Expenditure, 1938

(millions of guilders)

1. Personal expenditure on consumers' goods and services	2,504
2. Government current expenditure on goods and services	409
3. Banks' current expenditure on goods and services	40
4. Gross public domestic investment 5. Gross private domestic investment	267
6. Net foreign investment	—72
7. GROSS NATIONAL EXPENDITURE AT MARKET PRICES	3,148
8. Less depreciation	188
9. NET NATIONAL EXPENDITURE AT MARKET PRICES	2,960
10. Less indirect taxes minus subsidies	194
11. NATIONAL INCOME AT FACTOR COST	2,766

NOTES TO TABLES

TABLE 1

Item

1. (*a*) (i) Includes production for own consumption. It has been estimated that the subsistence income accounts for 50 to 75 per cent of total agricultural output of the Indonesian population.

1. (*c*) Includes interest paid to the People's Credit Bank.

3. (*a*) Residual item.

Item

3. (*b*) Estimated imports of raw materials for Indonesian industries.

5. (*a*) Includes depreciation of houses, estimated at 35 million guilders.

5. (*c*) Raw materials delivered to non-Indonesian enterprises.

5. (*d*) Value of exports less 25 per cent to allow for gross trade margins of non-Indonesian exporters.

TABLE 2

Item

11. Business loans from the People's Credit Bank.

TABLE 3

Item

13. (*a*) (iii) Salaries in directors' head offices abroad.

13. (*c*) (i) Interest and profits payable to non-Indonesian residents in Indonesia.

13. (*d*) Undistributed profits after taxes of Dutch and other foreign corporations; estimated at about one-third of item 13(*c*) (iv).

Item

13. (*f*) Includes rents on lands payable to the government.

14. (*c*) Pensions to former employees.

17. (*e*) Includes tourism (3 million guilders).

18. (*b*) Includes increases in stocks; residual item.

TABLE 4

Item

21. (*b*) Based on statistics of imports.

Item

25. Residual item in the "rest of the world" account.

TABLE 5

Item

32. (*a*) Interest paid to the government pawnshops. No estimate could be made of usurious interest paid to private lenders.

TABLE 6

Item

34. (*a*) Mainly loans less redemptions of the government pawnshops and the Postal Savings Bank.

Item

37. Balance of deposits and withdrawals.

TABLE 7

Note: The account refers to the pension funds located in Indonesia and excludes those in the Netherlands for retired European personnel from Indonesia; see items 46(b)(ii) and 99(*a*).

TABLE 8

Item

46. (*a*)(ii) Includes the balance of services received from the Netherlands Government (11 million guilders).

46. (*b*)(ii) A distinction has been made between the Pension Funds in the Netherlands for retired European personnel from Indonesia, and the Pension Funds with head offices in Indonesia mainly serving all other personnel.

47. (*b*) Relief payments.

49. Transfer to the Rubber Fund of the special export duty on rubber exported by native growers, levied in connexion with the rubber restriction scheme. The Fund is used for the benefit of the rubber-producing areas.

51. (*c*) Taxes levied in 1939 on profits earned in 1938.

55. (*a*) Includes government's share in the profits of the central bank, surplus of the government pawnshops, and interest earned by the Postal Savings Bank.

55. (*b*) Interest and profits of government enterprises, and share of the government in profits of private enterprises.

57. Residual item.

TABLE 9

Item

63. Balance of redemptions and new investments of the government in public and private enterprises.

TABLE 10

Item

70. (*c*) Includes fares and travelling expenses of pilgrims to Mekka (12 million guilders) and imports of goods and services.

73. (*c*) See note to item 1(*a*) of table 1.

TABLE 11

Item

78. Personal remittances to relatives in Holland, China, etc.

80. (*c*) Fares and travelling costs, including expenses while on leave abroad (15 million guilders), and imports of goods and services.

84. (*a*) Dividends only.

85. (*c*) Relief payments.

TABLE 12

Item

91. The export duties are not included in the value of exports (item 89(*a*)).

95. (*d*) See note to item 13(*a*)(iii) of table 3.

96. (*a*) See note to item 70 (*c*) of table 10.

96. (*b*) See note to item 80(*c*) of table 11.

97. See note to item 46(*a*)(ii) of table 8.

100. (*c*) See note to item 78 of table 11.

TABLE 13

Item

5. (*f*) It has been assumed that the omission of this item in the table in the original publication is due to an oversight. Accordingly, the total for national income at factor cost as given here is 38 million guilders below the figure given in the source.

TABLE 14

Note: The totals for certain items in this table differ somewhat from those in the original source owing to certain rearrangements explained in the following notes.

Item

1. Equals items 67(*b*)+70+77(*b*)+80. Personal overseas remittances and life insurance premiums payable abroad have been deducted here from the total for this item as published in the original source.

2. Equals items 46—53(*b*)—56. See note to item 5(*f*) of table 13. The figure given in the source includes interest on foreign debts, which has been excluded here.

3. Equals items 27+28—31. Inclusion of this item is necessary because of the method adopted in setting up an operating account for financial intermediaries, implying that banks render final services only, valued as the total of all factor incomes paid out plus net purchases from business enterprises.

4,5. Equal items 8+21.

6. Equals items 89+91—95—96—97—99—100(*a*)—100(*b*).

8. Equals items 10+24.

10. Equals items 52—48.

ITALY

Source

(1) Memorandum submitted by Istituto Centrale di Statistica, Rome, June 1949.

The most recent official figures for national income are those prepared by the *Istituto Centrale di Statistica* for the years 1938 and 1947.[1] The estimates are based on the net values added by industries but details of the calculations are not available.

It is clear from the figures, which are reproduced in the table below, that the concept of national income is similar to the pre-war Swedish and German concepts in that the measure of national income excludes the value of government intermediate product, i.e., those goods and services provided by the government to producers rather than to consumers (this subtraction is made in item 18 of the table). No information is available as to how governmental activities were classified into those benefiting consumers directly and those utilized exclusively by producers in the productive process and having no independent utility.

The estimates also differ from those of most countries in that net emigrants' remittances and other gifts from overseas, private and governmental, have been included.

ITALY

National Income at Factor Cost and Market Prices

(thousand millions of lire)

	1938	*1947*
1. Agriculture	35.6	1,657.1
2. Forestry	1.9	80.7
3. Fishing	0.4	14.6
4. Mining	0.8	43.0
5. Manufacturing	34.7	1,672.5
6. Building	2.6	132.3
7. Public utilities	3.2	85.2
8. Services	0.7	32.0
9. Transport and communication	7.7	229.4
10. Commerce	13.8	593.3
11. Banking and insurance	3.5	96.9
12. Real estate	8.2	14.2
13. Professions	2.9	60.0
14. Domestic service	2.2	90.0
15. Government	15.8	369.8
16. Net income and gifts from abroad	0.6	214.6
17. Less interest counted twice	3.4	67.8
18. Less government services to business	14.5	314.8
19. NATIONAL INCOME AT FACTOR COST	116.6	5,003.0
20. Indirect taxes	18.4	466.6
21. NATIONAL INCOME AT MARKET PRICES	135.0	5,469.6

[1] Almost identical figures for 1938 and 1947, also prepared by the *Istituto Centrale di Statistica*, are to be found on page 431 of *Annuario Statistico Italiano, 1944-48*, Rome 1949. An estimate of national income at factor cost for 1948 amounting to 5,400 thousand million lire has been published by the Bank of Italy in *Adunanza Generale Ordinario dei Participanti*, Rome, 1949, p. 184. Since the above was written, the following figures for net geographical product at factor cost (excluding government intermediate services) have been received from the Istituto Centrale di Statistica (thousand millions of lire): 117 (1938); 4,920 (1947); 5,635 (1948); and 5,963 (1949).

NOTES TO TABLE

Item

19. The figures shown here correspond (in the more usual terminology) to national income at factor cost less government services to business. National income at factor cost according to the more common definition is the sum of items 1 to 17 inclusive.

Item

21. A measure of the unduplicated value of all goods and services currently produced for consumption or investment, net of government services to business.

JAMAICA

Source

(1) *The National Income of Jamaica for 1943, 1946,* Central Bureau of Statistics, 1948.

Estimates of national income at factor cost for the years 1943 and 1946 have been made available for the first time, the figures for the latter year being of a preliminary nature.[1] For 1943, national income is shown by industrial origin, distributive shares, and forms of final expenditure; for 1946, only the breakdown by industrial origin is given.

Table 1 below shows national income by industrial origin for both years. The figures shown for agriculture, manufacturing and construction (combined with housing services) are gross of goods and services purchased from other industries although net of depreciation. The correction for double-counting is made in item 8. In the case of the remaining industries, the actual net value added is given.

The figures for government over-state the value of income originating in government, inasmuch as the figures apparently refer not only to government outlay on wages and salaries but to expenditure on all goods and services. Pensions paid by government and interest payments on the public debt are excluded. Government construction is included with private construction in item 6, and post, telephone and telegraph and other government communication services are included in miscellaneous services, item 5.

National income by distributive shares is shown in table 2. Table 3 shows the net national expenditure. It is not clear whether the figure for net investment includes foreign investment. Remittances to abroad appear to consist of interest, dividends, rent, etc. paid overseas.

JAMAICA

TABLE 1

National Income by Industrial Origin

(thousands of pounds)

	1943	*1946*
1. Agriculture	12,700	15,200
2. Manufacturing	9,700	16,600
3. Distribution and transport	11,700	18,700
4. Government	4,200	6,300
5. Miscellaneous services	6,200	9,400
6. Housing and construction	4,000	7,900
7. Gross value of domestic production	48,500	74,100
8. Less correction for double-counting	9,000	12,600
9. Net value of domestic production	39,500	61,500
10. Net income from abroad	1,000	2,300
11. NATIONAL INCOME AT FACTOR COST	40,500	63,800

[1] Estimates for 1938 and 1942 are shown in *National Income Statistics of Various Countries, 1938-1947,* pages 34-35.

TABLE 2

National Income at Factor Cost

(thousands of pounds)

	1943
1. Wages and salaries	8,500
2. Supplementary labour income	500
3. Subsistence income	2,500
4. Rent	9,300
(*a*) Housing	3,200
(*b*) Land	3,700
(*c*) Industrial premises	2,400
5. Entrepreneurial income, interest, dividends, undistributed profits	14,000
6. Government income	4,700
7. Net income from abroad	1,000
8. NATIONAL INCOME AT FACTOR COST	40,500

TABLE 3

Net National Expenditure at Factor Cost

(thousands of pounds)

	1943
1. Personal expenditure on goods and services at factor cost	32,625
(*a*) Food	18,700
(*b*) Drink and tobacco	2,644
(*c*) Clothing	5,780
(*d*) Housing and household requirements	5,926
(*e*) All other	2,150
(*f*) Less indirect taxes	3,338
(*g*) Plus subsidies	763
2. Government expenditure on goods and services	4,522
3. Net investment	2,868
4. Remittances to abroad	485
5. NET NATIONAL EXPENDITURE AT FACTOR COST	40,500

NOTES TO TABLES

TABLE 1

Item

1. Refers to agriculture proper, horticulture, fishing and forestry. Consumption by farmers of own produce is included at factor cost. Figures are gross of purchases from other industries.

2. Includes also public utilities and native crafts. Figures are gross of purchases from other industries.

3. Refers to the net value of importing, wholesaling, retailing, hauling and storing of both locally produced and imported goods.

4. Refers to expenditure by local and central government on general administration, defense, etc. Expenditure on construction is shown under item 6 whereas expenditure on communication services such as post, telegraph and telephone is included under item 5.

Item

6. Actual and imputed rent and value of private and public construction.

8. Over-all deduction for goods and services bought from other industries and included in item 7.

10. Does not include receipts from abroad by government, but includes personal remittances from Jamaicans overseas.

TABLE 2

Item

2. Consists mainly of the value of board and other allowances in cash or in kind enjoyed by employees. Employers' contributions to social security schemes are included here. Allowances to persons working in family enterprises without contractual remuneration are included under item 5.

3. Refers to the value of subsistence production in agriculture and local arts and crafts.

Item

4. Includes imputed rent of owner-occupied houses and farms.

6. Refers to receipts from abroad and income from property and trading.

7. See note to item 10 of table 1.

TABLE 3

Item

1. (*d*) Refers to imputed and actual rents, fuel and lighting, furniture and furnishings, cleaning materials, domestic service and laundering.

1. (*e*) Refers to expenditure on transportation, communication, education, medicine, etc.

Item

4. Includes interest, dividends, rents, royalties, pensions and personal remittances payable abroad.

JAPAN

Sources

(1) *Tables on National Income and Taxation,* Finance Bureau, Economic Stabilization Board, 9 May 1949. (Mimeographed.)

(2) Memorandum submitted by the Cabinet Bureau of Statistics, 7 December 1949.

Source (1) presents national income at factor cost by distributive shares and personal income for the calendar years 1938 to 1944 and for the fiscal years 1946/47 and 1947/48; in addition, a breakdown of gross national expenditure at market prices is given covering the period 1938 to 1944 only. Additional figures for national income by distributive shares and for personal income for 1948/49 have been made available in source (2). The figures for this last year have been prepared by the Economic Stabilization Board and are conceptually comparable with the figures for earlier years. However, all the figures shown in the tables below are only provisional and subject to revision.

No detailed information concerning concepts has been made public, but it appears that the definitions agree with the recommendations of the Statistical Office of the United Nations.

Table 1 shows personal income. The three following supplementary tables show in detail the components of table 1. Thus, addendum 1 and addendum 2 show respectively the composition of labour income and income of unincorporated enterprises according to industrial origin.

National income by distributive shares is given in table 2. Both labour income and the income of unincorporated enterprises are subdivided into two classes in this table: (1) agriculture, forestry and fisheries, and (2) all other industries. Table 3 shows gross national expenditure for the shorter period 1938 to 1944. The personal consumption component of national expenditure is shown in detail in table 4. Gross private domestic investment is divided into three categories: non-residential construction and producers' durable goods, residential construction, and the net change in inventories. The figures for government expenditure on goods and services relate to both current and investment outlays.

TABLE 1

Personal Income

(thousand millions of yen)

	1938	1939	1940	1941	1942	1943	1944	1946	1947	1948
1. Labour income	7.9	9.1	10.4	12.8	15.3	21.4	30.7	120.5	395.5	995.2
2. Income of unincorporated enterprises	6.3	8.9	9.3	10.1	10.8	10.0	10.1	251.2	704.3	1,181.7
3. Personal rental income	1.8	2.1	2.3	2.4	2.5	2.5	2.7	7.6	7.5	16.5
4. Personal interest income	1.1	1.3	1.6	2.0	2.5	3.3	4.5	6.4	6.0	10.1
5. Dividends and executive bonuses	1.0	1.1	1.2	1.3	1.4	1.5	1.6	0.5	0.9	12.8
6. Transfer income	0.4	0.4	0.5	0.6	0.7	0.9	1.2	5.3	5.0	11.5
7. Dividends and interest from abroad	—	—	0.1	0.3	0.4	0.4	0.2	..	..	..
8. PERSONAL INCOME	18.4	23.0	25.4	29.5	33.5	40.0	51.0	391.5	1,119.3	2,227.7

Sources: (1) and (2) cited on page 103.

ADDENDUM 1 TO TABLE 1

Labour Income by Industrial Origin

(millions of yen)

	1938	1939	1940	1941	1942	1943	1944	1946	1947	1948
1. Agriculture, forestry and fisheries								17,337	43,547	74,875
(*a*) Agriculture	(included in income of unincorporated enterprises)							1,794	7,040	10,085
(*b*) Forestry								8,364	25,203	43,922
(*c*) Fisheries								7,179	11,304	20,868
2. Mining	296	407	473	544	673	771	928	5,969	21,989	50,218
3. Contract construction	304	366	424	444	480	501	624	8,535	29,312	62,231
4. Manufacturing	2,288	2,942	3,581	4,449	5,169	6,581	8,424	33,277	119,284	336,110
5. Gas and electricity	132	133	151	175	194	225	304	1,169	6,196	17,708
6. Commerce	687	710	748	609	547	364	287	12,556	17,880	54,166
7. Finance	161	192	208	213	229	226	243		7,076	22,617
8. Business services	530	541	595	584	572	572	555		6,673	21,543
9. Transportation and communication	844	1,023	1,117	1,213	1,454	1,709	1,952	19,402	56,671	140,381
10. Professions	655	700	782	840	923	954	1,040	19,292	26,711	62,161
11. Public services	387	425	480	589	739	847	1,012		50,482	102,149
12. Other business	126	154	212	185	165	133	110	2,934	9,673	47,620
13. Subsidiary occupations	..	..	..	..	..	..	..	..	..	3,459
14. Military	1,441	1,535	1,622	2,998	4,130	8,563	15,241	..	..	..
15. TOTAL (equals item 1 of table 1)	7,851	9,128	10,393	12,843	15,275	21,446	30,720	120,471	395,494	995,238

Sources: (1) and (2) cited on page 103.

ADDENDUM 2 TO TABLE 1

Income of Unincorporated Enterprises by Industrial Origin

(millions of yen)

	1938	1939	1940	1941	1942	1943	1944	1946	1947	1948
1. Agriculture, forestry and fisheries	3,163	5,030	5,109	4,840	5,388	5,318	5,848	100,903	263,762	546,981
(a) Agriculture	2,883	4,608	4,587	4,333	4,614	4,432	4,845	88,580	233,505	495,292
(b) Forestry								7,833	22,912	37,962
(c) Fisheries	280	422	522	507	774	886	1,003	4,490	7,345	13,726
2. Mining	6	8	9	11	15	20	26	500	1,886	3,584
3. Contract construction	261	327	377	505	590	703	790	35,079	37,152	36,521
4. Manufacturing	730	920	1,022	1,192	1,144	1,064	880	58,708	226,811	264,667
5. Commerce	1,536	1,797	1,948	2,510	2,474	1,739	1,278		124,573	245,375
6. Finance	51	50	53	56	59	60	43	47,946	1,325	3,745
7. Business services	225	347	404	476	516	494	416		27,438	43,698
8. Transportation	79	97	97	118	160	242	413	880	4,636	5,673
9. Professions	232	258	286	339	393	366	370	7,232	14,010	20,373
10. Other business	24	38	27	28	29	33	34	—	2,743	5,210
11. Unclassified income	—	—	—	—	—	—	—	—	—	5,827
12. TOTAL (equals item 2 of table 1)	6,307	8,872	9,332	10,075	10,768	10,039	10,098	251,248	704,336	1,181,654

Sources: (1) and (2) cited on page 103.

ADDENDUM 3 TO TABLE 1

Personal Rental Income, Interest, Dividends and Transfer Income

(millions of yen)

	1938	1939	1940	1941	1942	1943	1944	1946	1947	1948
1. Personal rental income (table 1, item 3)	1,777	2,147	2,283	2,404	2,455	2,527	2,730	7,640	7,538	16,462
(a) Tenant rice-farm rent	757	924	982	994	1,030	1,081	1,284	1,479	338	68
(b) Tenant farm rent									218	34
(c) Site rent	243	291	310	339	340	341	341	268	280	8.320
(d) House rent	777	932	991	1,071	1,085	1,105	1,105	5,893	6,702	8,040
2. Personal interest income (table 1, item 4)	1,059	1,294	1,616	1,991	2,546	3,302	4,469	6,413	5,997	10,072
(a) Deposit interest	922	1,137	1,434	1,769	2,223	2,888	3,911	5,993	5,426	9,386
(b) Debentures interest	38	47	55	70	87	105	131	416	497	675
(c) National bonds interest	99	110	127	152	236	309	427	4	74	11
3. Dividend income (table 1, item 5)	991	1,126	1,188	1,293	1,398	1,511	1,566	479	880	12,756
(a) Dividends	785	873	924	967	1,029	1,124	1,164	227	232	1,076
(b) Distribution of corporation surpluses	—	—	—	—	24	23	22			216
(c) Executive bonuses	206	253	264	326	345	364	380	252	648	11,464
4. Transfer income (table 1, item 6)	362	416	470	573	745	857	1,128	5,328	4,976	11,510
(a) Pensions	192	238	295	355	410	426	471	..	120	562
(b) Social insurance	..	..	..	..	..	..	..	..	—	—141
(c) Repatriation allowances	..	..	..	..	..	..	..	..	—	595
(d) Social relief	90	85	65	83	121	146	360	..	4,856	10,494
(e) Other transfer income	80	93	110	135	214	285	297	..	—	—

Sources: (1) and (2) cited on page 103.

TABLE 2

National Income by Distributive Shares

(thousand millions of yen)

	1938	1939	1940	1941	1942	1943	1944	1946	1947	1948
1. Labour income	7.9	9.1	10.4	12.8	15.3	21.4	30.7	120.5	395.5	995.3
(*a*) Agriculture, forestry and fisheries	7.9	9.1	10.4	12.8	15.3	21.4	30.7	17.4	43.6	74.9
(*b*) Other								103.1	351.9	920.4
2. Income of unincorporated enterprises	6.3	8.8	9.3	10.0	10.8	10.0	10.1	251.2	704.4	1,181.7
(*a*) Agriculture, forestry and fisheries	3.2	5.0	5.1	4.8	5.4	5.3	5.8	100.9	263.8	547.0
(*b*) Other	3.1	3.8	4.2	5.2	5.4	4.7	4.3	150.3	440.6	634.7
3. Personal rental income	1.8	2.1	2.3	2.4	2.5	2.5	2.7	7.6	7.5	16.5
4. Net interest	0.9	1.3	1.5	1.9	2.3	3.0	4.1	6.4	6.0	10.1
5. Dividends and executive bonuses	1.0	1.1	1.2	1.3	1.4	1.5	1.6	0.5	0.9	12.8
6. Undistributed corporate profits	0.9	1.1	1.9	2.3	2.6	3.6	4.3	2.6	7.5	—1.9
7. Corporation profit taxes								2.6	7.7	15.0
8. Surplus of government enterprises	0.5	0.7	0.8	0.7	1.1	1.2	1.1	—4.5	—2.7	—0.6
9. Dividends and interest from abroad	—	—	0.1	0.3	0.4	0.4	0.2	..	..	..
10. NATIONAL INCOME AT FACTOR COST	19.3	24.2	27.5	31.7	36.3	43.7	54.8	386.9	1,126.8	2,228.9

Sources: (1) and (2) cited on page 103.

TABLE 3

Gross National Expenditure

(millions of yen)

	1938	1939	1940	1941	1942	1943	1944
1. Personal consumption expenditure	13,703	16,334	18,587	19,556	21,104	22,801	22,695
(*a*) Foodstuffs, beverages and tobacco	6,018	7,308	8,384	8,039	7,745	8,355	9,591
(*b*) Other	7,685	9,026	10,203	11,517	13,359	14,446	13,104
2. Government expenditure on goods and services	6,898	7,534	9,851	13,404	18,457	25,915	38,543
(*a*) Central government	6,178	6,769	8,725	12,082	16,839	24,216	36,782
(i) War	4,973	5,227	6,667	9,575	14,153	20,032	30,030
(ii) Non-war	1,205	1,542	2,058	2,507	2,686	4,184	6,752
(*b*) Local government	720	765	1,126	1,322	1,618	1,699	1,761
3. Gross private domestic investment	4,820	6,608	7,854	8,459	8,881	11,462	15,615
(*a*) Non-residential construction and producers' durable equipment	2,823	4,225	4,500	4,700	4,748	7,904	10,028
(*b*) Residential construction	368	449	586	814	929	1,044	1,256
(*c*) Net change in inventories	1,629	1,934	2,768	2,945	3,204	2,514	4,331
4. Net foreign investment	885	1,385	548	241	563	307	206
5. GROSS NATIONAL EXPENDITURE AT MARKET PRICES	26,306	31,861	36,840	41,660	49,005	60,485	77,059

Source: (1) cited on page 103.

TABLE 4

Personal Consumption Expenditure by Type

(millions of yen)

	1938	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*
1. Foodstuffs, beverages and tobacco	6,018	7,308	8,384	8,039	7,745	8,355	9,591
2. Rent and upkeep of dwelling	1,644	1,949	2,173	2,399	2,452	2,546	2,446
(*a*) Rent	1,257	1,507	1,603	1,736	1,756	1,782	1,782
(*b*) Other expenditures (excl. light and fuel)	387	442	570	663	696	764	664
3. Light and fuel	699	795	945	877	852	819	672
4. Clothing	1,360	1,662	1,960	2,142	1,884	1,891	1,119
5. Medical care	893	992	1,137	1,356	1,695	1,861	2,093
6. Education and amusement	855	955	1,103	1,217	1,585	1,851	1,746
7. Welfare, religious and other organizations	1,103	1,275	1,409	1,873	2,781	3,153	2,256
8. Transportation	1,146	1,448	1,588	1,807	2,301	2,638	3,602
9. Overseas travel and remittances	—15	—50	—112	—154	—164	—313	—830
10. Personal consumption expenditure (equals item 1 of table 3)	13,703	16,334	18,587	19,556	21,104	22,801	22,695

Source: (1) cited on page 103.

NOTES TO TABLES

General note: Figures for the years 1938 to 1944 relate to the calendar year; later figures relate to the fiscal year starting 1 April of year stated.

TABLE 1

Addendum 1. Labour income comprises wages, salaries, allowances, income in kind, directors' fees, etc., but excludes estimated wages for members of families of proprietors (included in item 11 of addendum 2 to table 1).

Addendum 3.

Item

1. Includes imputed rent for land and houses occupied by owners.

Item

4. (*b*) Comprises unemployment, accident, welfare and seamen's insurance.
   (*d*) Disaster relief and other relief.

TABLE 3

Item

2. Includes investment outlay. Excludes subsidies to Formosa, Korea and other overseas areas.

Item

4. Includes net remittances received.

TABLE 4

Item

10. The total given for the year 1942 does not quite agree with the components, one of which, presumably, is incorrectly shown.

NETHERLANDS

Sources

(1) *Het nationale inkomen van Nederland, 1921-1939,* No. 7 of Monographs of "De Nederlandse Conjunctuur," Central Bureau of Statistics, 1948. (The National Income of the Netherlands, 1921-1939.)

(2) "De Nationale Jaarrekeningen van Nederland voor 1946", *Statistical and Econometric Studies,* vol. 3, no. 4, December 1948, Central Bureau of Statistics, pp.111-119. (National Accounts of the Netherlands for 1946.)

(3) *Statistical Bulletin of the Central Bureau of Statistics,* no. 103, 15 December 1948, no. 17, 22 February 1949, and no. 27, 24 March 1949.

(4) *National Accounts of the Netherlands, 1946 and 1947,* Special Statistical Communications No. 4001, Central Bureau of Statistics, April 1949.

(5) C. A. Oomens, "Het reële nationale inkomen van Nederland", *Statistical and Econometric Studies,* vol. 4, no. 1, March 1949, Central Bureau of Statistics, pp. 14-21. (Real national income of the Netherlands.)

(6) *Centraal Economisch Plan 1949,* Central Planning Bureau, September 1949.

(7) Communication from Central Bureau of Statistics, January 1950.

Estimates of National Income

The publication mentioned under (1) is a revision and extension of an earlier study by the Central Bureau of Statistics published before the war, and covers the period 1921-1939.[1] The main figures for 1938 and 1939 are reproduced in tables 1-4. Similar estimates for post-war years have been made available in the sources mentioned under (3), (5) and (7). They are included in tables 2-4.

Publications (2), (4) and (7) deal with the social accounts set up for the years 1938, and 1946 to 1948. They are shown in tables 5-12. The report mentioned under (6) is the main source of information for the national budget as drawn up by the Central Planning Bureau.

The definitions underlying the revised series of estimates for the period 1921-1939 have been brought more into line with the standard definition proposed by the Statistical Office of the United Nations. The basic definition is national income at factor cost, including net income from abroad. It includes the income of individuals permanently residing in Holland, independent of their nationality or area of activity. Income of Dutch diplomatic and civilian personnel abroad is excluded. The conceptual revisions refer mainly to the following items:

(*a*) Corporate profits are now included before instead of after taxes on profits. Profit taxes paid by foreign corporations operating in Holland and income tax paid by non-residents are also included in national income.

(*b*) An adjustment has been entered for revaluation of inventories to eliminate capital gains and losses resulting from fluctuations in prices of stocks of raw materials and finished products held by business.

(*c*) Increases in the value of livestock are now taken into account.

(*d*) Whereas in the earlier study all interest on government debts was included in the national income, this procedure has now been modified. Such interest is now included only to the extent it is covered by interest received from investments in government-owned or private enterprises, from loans to building societies, and from loans to foreign Powers and the overseas territories. All other interest has been considered as a transfer payment and on that ground excluded.

[1] *Enkele berekeningen over het nationale inkomen van Nederland,* Speciale Onderzoekingen van De Nederlandsche Conjunctuur, no. 2, Central Bureau of Statistics, The Hague, 1939. For an account of the concepts and methods of evaluation used in this publication, *cf. National Income Statistics of Various Countries, 1938-1947,* pages 68-72.

(*e*) The treatment of subsidies has been improved, so as to exclude the financing of investment projects, such as subsidies for improvements of land, and for shipbuilding. Those payments are now considered as part of government expenditure on goods and services. The financing by the government of the deficit of the railroads has not been considered as a subsidy but as an element of government expenditure on goods and services.

(*f*) Income of the armed forces is limited to payment in money, but in the estimates for the post-war years income in kind has been included, although a specification of the items considered is not given.

(*g*) Personal remittances from overseas have now been excluded.

The concepts used for the revised series for 1921-1939 also form the basis for the estimates for the post-war years, except for certain deviations indicated below.

Other revisions of the estimates for 1921-1939 originate in various improvements of the basic statistical data used. They affect both the series of estimates derived from income tax statistics and the independent series of estimates of national income by industrial origin. The revisions are important, for example, in the case of the estimates of the aggregate income below the tax exemption limit, and of the net income received from abroad. Whereas in the pre-war publication the estimates based on income tax statistics were considered to be more accurate than those based on other methods, the accuracy of the estimates of national income by industrial origin has now been considerably improved and is regarded as equally reliable. Therefore, the best estimate of national income is believed to be obtained by taking the unweighted average of the two sets of figures. The corresponding statistical discrepancy is shown separately in tables 1 and 2.[1]

The following information is available for the post-war years 1946, 1947 and 1948. The allocation by industrial origin is shown in table 2. The estimates based on income tax statistics could not be extended beyond 1941 owing to the discontinuation of those statistics during the war which was caused by fundamental changes in the existing system of taxation. The estimates for the post-war years of the items by industrial origin are comparable with those for the year 1938, but not with those for 1939.

Income of military forces temporarily abroad (in Indonesia) has been included under government. Income from black-market transactions has been excluded, but an attempt has been made to include such output valued at legal prices in those cases where it is not yet covered by the production statistics used for the computations. In the estimates for the post-war years an attempt has also been made to revalue depreciation allowances at replacement prices.

In the estimates for 1946, 1947 and 1948 interest on Indonesian government loans, pensions of former personnel of the overseas territories, and salaries paid to personnel on leave of absence in the Netherlands have been included in income from abroad (table 2, item 18), although actually no payments have been made by the government of the overseas territories, and the sums concerned were advanced by the Netherlands Government to the Government of Indonesia. Another way of treating these items would have been to consider them as transfers from the Netherlands Government to the recipients, and to reduce net foreign investment, which includes advances to Indonesia, by a corresponding amount.

The treatment of the banking sector is the same as in the earlier study. Income originating in banking equals wages and salaries plus profits. The margin between interest received and interest paid by banks has been considered as a payment for services rendered by banks to borrowers. By way of approximation all interest paid on short-term loans including the floating debt of the Government has been considered as a payment for bank services received and accordingly deducted from net value added in the various industries in the estimates for the pre-war period. In the computations for 1946, 1947 and 1948 it was not possible to allocate interest received by banks by the industries in which these payments originate. The total has therefore been entered as a negative item in table 2.

[1] In table 2 the discrepancy has been incorporated into the individual items for 1938 and 1941, but not for 1939.

The breakdown of national income by distributive shares is shown in table 3. It may be noted that profits, entrepreneurial income, etc. (item 4) have been obtained as a residual.

Table 4 shows the breakdown of net national expenditure at market prices and the net national expenditure at factor cost. In the government sector no distinction is made between current expenditure on goods and services and net capital formation.

The Central Planning Bureau (source (6)) has published rough preliminary national income estimates and forecasts for 1949 which are not reproduced here. The concepts differ somewhat from those used in the publications of the Central Bureau of Statistics, for example with respect to interest on the public debt. The assumption has been made that all pre-war public debt was covered by productive assets owned by the government, and that therefore only interest on loans incurred during and after the Second World War should be regarded as transfer income. No attempt has yet been made to improve the method by taking into account decreases in the value of public property due to war destruction and lack of maintenance during the war, and the increase in replacement values of existing assets.

The National Accounts

Preliminary national accounts for the Netherlands have been published by the Central Bureau of Statistics for 1946.[1] The system of accounts is represented in tables 5-12. They are based on information received from the Netherlands Central Bureau of Statistics, covering the years 1938, 1946, 1947 and 1948. The following sectors are distinguished: business enterprises, insurance funds, government, consumers and the "rest of the world".

The business sector, for which an operating and a capital account (tables 5 and 6) are presented, comprises all enterprises permanently located in the Netherlands, including government-owned enterprises, banks, merchant shipping, public and private education, the professions, domestic services and house-ownership. Since table 5 represents a consolidated account, all purchases and sales of goods and services on current account among enterprises cancel out.

For lack of information, no appropriation account for the business sector has been set up. Profits and interest received by business are netted out against profits and interest paid. All profits and interest, including undistributed profits, are imputed to final receivers: consumers, government, insurance funds, and rest of the world. Consequently, undistributed profits of corporations appear under saving of consumers.

Banks and other financial intermediaries have not been treated as a separate sector. Operations of banks and insurance institutions have been consolidated with the operating account of business enterprises. Therefore that part of interest received by banks which ultimately goes to depositors, has been recorded as interest paid to consumers, etc., whereas that part which is imputed to borrowers (i.e., business and the government) as charges for bank services rendered free, has been treated as normal bank charges.

Special revenue and interest accounts have been set up for the insurance funds showing separately the transactions with the consumers sector and with the "rest of the world". By insurance funds are meant all life insurance institutions, pension funds and social insurance funds which set aside reserves against their long-run liabilities, and therefore play an important role on the capital market. Accordingly, business risk insurance and mutual sick insurance have been excluded.

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[1] *Cf.* source (4). Earlier unpublished results for 1938 are available in two mimeographed reports, prepared by the Central Bureau of Statistics during the war: "Schema's voor een Nationale Boekhouding," 33 pp., December 1942, and "Nationale Boekhouding; Doeleinden, Problemen, Resultaten," 10 pages, September 1944. Part of those results have been published by J. B. D. Derksen. *A System of National Bookkeeping, Illustrated by the Experience of the Netherlands Economy,* Occasional Papers X, National Institute of Economic and Social Research, Cambridge University Press, 1946. A monograph with the final national accounts for 1938, 1946 and 1947, including preliminary estimates for the year 1948 is now being prepared by the Central Bureau of Statistics.

A separate capital account is shown for the business sector. The account for the government is a combined operating and capital account. The combined capital account for the economy as a whole differs from the usual form in that public capital formation is not shown. In the accounts for the government sector expenses on capital goods have been included among government current expenditure on goods and services.

NETHERLANDS

TABLE 1

National Income at Factor Cost

(millions of guilders)

	1938	*1939*	*1941*
1. Total income assessed	3,010	3,296	4,645
2. Income tax evasion	301	330	465
3. Corrections for deductions granted by the Revenue Act			
(*a*) Contributions to Trade Unions	11	12	—
(*b*) Premiums paid to life insurance companies, and to pension and social insurance funds by employees and independent business people	131	133	98
(*c*) Exemptions for families with children	221	255	—
4. Incomes below tax exemption limit			
(*a*) Of people gainfully employed, and unemployed on relief	1,074	1,020	381
(*b*) Old age pensions, income of small rentiers, etc.	110	110	80
(*c*) Poor relief	101	102	108
5. Correction for income from sea-shipping during the war	—	—	62
6. Correction for lag in dividend payments	—41	—68	—35
7. Inventory revaluation adjustments	40	—130	—132
8. Adjustment for increase in the number of livestock	17	—22	—30
A. PERSONAL INCOME (1-8)	4,975	5,038	5,642
9. Premiums and other contributions by government and employers	126	135	163
10. Incomes of charities, foundations, etc.	60	60	60
11. Net return on investments of life insurance companies, pension funds, social insurance funds, etc.	134	136	148
12. Undistributed profits of corporations after taxes	190	250	100
13. Profits, dividends and interest received by the government	149	144	133
14. Taxes not included in private income	41	71	247
B. TOTAL (9-14)	700	796	851
15. Termination payments, unemployment assistance and poor relief	247	225	201
16. Social insurance benefits, pensions and life annuities	251	260	283
17. Military pensions	17	17	18
18. Interest on the public debt	221	220	290
C. TOTAL TRANSFER INCOME (15-18)	736	722	792
19. Correction for statistical discrepancy	—35	+95	+23
D. NATIONAL INCOME AT FACTOR COST (A+B—C+19)	4,904	5,207	5,724

Sources: (1) and (7) cited on page 108.

TABLE 2

Net National Product at Factor Cost by Industrial Origin

(millions of guilders)

	1938	*1939*	*1940*	*1941*	*1942*	*1943*	*1946*	*1947*	*1948*
1. Agriculture and horticulture	332	451	595	621	617	634	1,187	1,267	1,315
2. Fishing, hunting	11	8	4	15	16	9	58	53	42
3. Mining	81	75					153	176	200
4. Gas, electricity and water..	122	126					156	160	187
5. Manufacturing	1,081	1,324	1,996	2,278	2,073	2,042	2,336	3,304	3,881
6. Construction	209	260					489	584	613
7. Commerce	525	600	600	648	651	606	1,102	1,438	1,841
8. Transport, communications, etc.	501	523	448	506	562	636	929	1,065	1,234
9. Banking	95	95	108	111	104	122	161	253	259
10. Insurance	59	61	59	57	60	65	115	118	139
11. Other industries, incl. professions	337	360	360	370	360	350	357	381	317
12. Religion	25	25	25	25	25	25	40	40	40
13. Household personnel	150	150	150	150	150	150	150	285	256
14. Real estate	641	540	539	527	512	506	562	580	631
15. Correction for interest paid to banks	—60	—	—	—	—	—	—60	—66	—75
16. Government	257	183	187	219	265	293	1,105	1,100	1,096
17. Education	136	138	135	139	139	139	250	280	383
18. Net income from abroad...	402	383	58	58	58	58	236	233	294
19. Statistical discrepancy	—	—95	—	—	—	—	—	—	—
20. NET NATIONAL PRODUCT AT FACTOR COST	4,904	5,207	5,264	5,724	5,592	5,635	9,326	11,251	12,653

Sources: (1), (3) and (7) cited on page 108.

TABLE 3

National Income by Distributive Shares

(millions of guilders)

	1938	*1946*	*1947*	*1948*
1. Wages and salaries.....	2,346	5,252	6,102	6,795
2. Supplements to wages and salaries.....	107	173	214	253
3. Net rents of buildings and lands.....	641	562	580	631
4. Profits, entrepreneurial income, interest, etc.	1,810	3,339	4,355	4,974
5. NATIONAL INCOME AT FACTOR COST.....	4,904	9,326	11,251	12,653

Sources: (1), (3) and (7) cited on page 108.

TABLE 4

Net National Expenditure at Market Prices and at Factor Cost

(millions of guilders)

	1938	*1946*	*1947*	*1948*
1. Consumers' expenditure on goods and services	4,400	8,050	10,093	11,109
2. Government expenditure on goods and services	699	2,199	2,066	2,457
3. Net private capital formation	91	831	1,592	1,792
4. Net foreign investment	205	—1,152	—1,685	—1,381
5. NET NATIONAL EXPENDITURE AT MARKET PRICES	5,395	9,928	12,066	13,977
6. Less: indirect taxes minus subsidies	491	602	815	1,324
7. NET NATIONAL EXPENDITURE AT FACTOR COST	4,904	9,326	11,251	12,653

Sources: (5) and (7) cited on page 108.

TABLE 5

Operating Account of Business Enterprises

(millions of guilders)

EXPENDITURES	*1938*	*1946*	*1947*	*1948*
1. Factor costs				
(*a*) Wages and salaries (42*a*)	2,106	4,184	5,027	5,744
(*b*) Supplementary labour income (18*a*)	90	136	189	208
(*c*) Profits, interest, net rents, entrepreneurial income to				
(i) Consumers (43*a*)	1,700	3,364	4,472	5,046
(ii) Insurance funds (24*a*)	51	39	37	38
(iii) Government (31*a*)	147	199	127	113
(iv) Foreign countries (54*a*)	143	44	56	91
(*d*) Pensions (44*a*)	8	19	10	23
2. Other costs				
(*a*) Indirect taxes (30*b*)	482	1,066	1,403	1,943
(*b*) Less subsidies (27*c*)	—9	464	588	619
(*c*) Depreciation allowances (11)	478	941	1,091	1,247
3. Purchases of goods and services from				
(*a*) Abroad (53*a*)	1,217	1,697	3,147	4,492
(*b*) Government (32*bi*)	23	46	80	176
4. Total	6,454	11,271	15,051	18,502
RECEIPTS	*1938*	*1946*	*1947*	*1948*
5. Sales to residents				
(*a*) Consumers (36*a*)	4,044	7,476	9,190	10,517
(*b*) Government (26*a*)	424	1,044	1,085	1,327
(*c*) Insurance funds, for				
(i) Residents (15*a*)	54	87	100	113
(ii) Foreigners (15*b*)	6	10	12	8
(*d*) Business on capital account				
(i) Increase in stocks (9*a*)	47	421	656	505
(ii) Other investment (8*a*)	369	876	1,118	1,858
6. Sales to non-residents (46*a*)	1,510	1,357	2,890	4,174
7. Total	6,454	11,271	15,051	18,502

Sources: (2), (4) and (7) cited on page 108.

TABLE 6

Capital Account of Business Enterprises

(millions of guilders)

EXPENDITURES	*1938*	*1946*	*1947*	*1948*
8. Purchase of capital goods from				
(*a*) Business enterprises (5*dii*)	369	876	1,118	1,858
(*b*) Government (32*bii*)	—	60	—	—
(*c*) Abroad (53*di*)	153	415	841	676
9. Increase in stocks				
(*a*) Goods from business enterprises (5*di*)	47	421	656	505
(*b*) Goods from abroad (53*dii*)	—	—	68	—
10. Total	569	1,772	2,683	3,039
RECEIPTS	*1938*	*1946*	*1947*	*1948*
11. Depreciation allowances (2*c*)	478	941	1,091	1,247
12. Net investment (58)	91	831	1,592	1,792
13. Total	569	1,772	2,683	3,039

Sources: (2), (4) and (7) cited on page 108.

TABLE 7

Revenue Account of Insurance Funds

(millions of guilders)

EXPENDITURES	*1938*	*1946*	*1947*	*1948*
14. Benefits paid to				
(*a*) Consumers (44*d*)	307	453	495	527
(*b*) Foreigners (55)	8	22	8	15
15. Operating costs chargeable to				
(*a*) Residents (5*ci*)	54	87	100	113
(*b*) Foreigners (5*cii*)	6	10	12	8
16. Reserves for increased liabilities toward				
(*a*) Residents (61*a*)	152	299	342	373
(*b*) Foreigners (61*b*)	6	—10	—	—
17. Total	533	861	957	1,036

TABLE 7 *(Continued)*

Revenue Account of Insurance Funds

(millions of guilders)

RECEIPTS	*1938*	*1946*	*1947*	*1948*
18. Premiums from				
(*a*) Business enterprises (1*b*)	90	136	189	208
(*b*) Government (26*cii*)	17	37	25	45
(*c*) Consumers (37)	205	338	383	435
(*d*) Foreigners (49*a*)	14	17	15	17
(*e*) Government personnel in Indonesia (49*b*)	19	—	—	—
19. Imputed charges to				
(*a*) Consumers (38)	131	186	184	190
(*b*) Foreigners (50)	6	5	5	6
20. Subsidies (27*b*)	51	142	156	135
21. Total	533	861	957	1,036

Sources: (2), (4) and (7) cited on page 108.

TABLE 8

Insurance Fund Interest Account

(millions of guilders)

EXPENDITURES	*1938*	*1946*	*1947*	*1948*
22. Interest imputed to				
(*a*) Consumers (43*d*)	131	186	184	190
(*b*) Foreigners (54*c*)	6	5	5	6
23. Total	137	191	189	196
RECEIPTS	*1938*	*1946*	*1947*	*1948*
24. Interest and dividends from				
(*a*) Business enterprises (1*cii*)	51	39	37	38
(*b*) Consumers (39)	3	4	2	2
(*c*) Government (26*dii*)	66	132	134	140
(*d*) Abroad (47*c*)	17	16	16	16
25. Total	137	191	189	196

Sources: (2), (4) and (7) cited on page 108.

TABLE 9

Revenue Account of Government

(millions of guilders)

EXPENDITURES	*1938*	*1946*	*1947*	*1948*
26. Purchase of goods and services and interest payments				
(*a*) From business (5*b*)	424	1,044	1,085	1,327
(*b*) From abroad (53*c*)	58	188	143	263
(*c*) Direct services				
(i) Wages and salaries (42*b*)	240	1,068	1,075	1,051
(ii) Supplements (18*b*)	17	37	25	45
(*d*) Interest to				
(i) Consumers (43*b*)	122	261	301	257
(ii) Insurance funds (24*c*)	66	132	134	140
(iii) Abroad (54*b*)	—	14	41	53
27. Transfer payments and subsidies to				
(*a*) Consumers (44*b*)	247	295	447	359
(*b*) Social insurance and pension funds (20)	51	142	156	135
(*c*) Business enterprises (2*b*)	—9	464	588	619
28. Saving (62*b*)	—95	—1,394	—552	334
29. Total	1,121	2,251	3,443	4,583

RECEIPTS	*1938*	*1946*	*1947*	*1948*
30. Tax receipts				
(*a*) Direct taxes (35)	443	835	1,627	2,277
(*b*) Indirect taxes (2*a*)	482	1,066	1,403	1,943
31. Investment income from				
(*a*) Business enterprises (1*c*iii)	147	199	127	113
(*b*) Abroad (47*b*)	9	13	24	21
32. Sales of goods and services to				
(*a*) Consumers (36*b*)	15	32	48	24
(b) Business enterprises				
(i) On current account (3*b*)	23	46	80	176
(ii) On capital account (8*b*)	—	60	—	—
(iii) Abroad (46*b*)	2	—	17	24
33. Reparations (51)	—	—	117	5
34. Total	1,121	2,251	3,443	4,583

Sources: (2), (4) and (7) cited on page 108.

NETHERLANDS

TABLE 10

Revenue Account of Persons

(millions of guilders)

EXPENDITURES	*1938*	*1946*	*1947*	*1948*
35. Direct taxes (30*a*)	443	835	1,627	2,277
36. Purchase of goods and services from				
(*a*) Business enterprises (5*a*)	4,044	7,476	9,190	10,517
(*b*) Government (32*a*)	15	32	48	24
(*c*) Abroad (53*b*)	287	455	755	455
37. Insurance premiums (18*c*)	205	338	383	435
38. Imputed payments to insurance funds (19*a*)	131	186	184	190
39. Interest paid to insurance funds (24*b*)	3	4	2	2
40. Saving by consumers and corporations (62*a*)	239	774	117	—296
41. Total	5,367	10,100	12,306	13,604

RECEIPTS	*1938*	*1946*	*1947*	*1948*
42. Wages, salaries, etc.				
(*a*) From business enterprises (1*a*)	2,106	4,184	5,027	5,744
(*b*) Government (26*ci*)	240	1,068	1,075	1,051
43. Profits, interest, net rents, entrepreneurial income from				
(*a*) Business enterprises (1*ci*)	1,700	3,364	4,472	5,046
(*b*) Government (26*di*)	122	261	301	257
(*c*) Abroad (47*a*)	461	189	136	254
(*d*) Insurance funds, imputed (22*a*)	131	186	184	190
44. Pensions, social insurance benefits, annuities, transfer payments, etc. from				
(*a*) Business enterprises (1*d*)	8	19	10	23
(*b*) Government (27*a*)	247	295	447	359
(*c*) Abroad (48)	45	81	159	153
(*d*) Insurance funds (14*a*)	307	453	495	527
45. Total	5,367	10,100	12,306	13,604

Sources: (2), (4) and (7) cited on page 108.

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TABLE 11

Rest of World Account

(millions of guilders)

EXPENDITURES	*1938*	*1946*	*1947*	*1948*
46. Goods and services from				
(*a*) Business enterprises (6)	1,510	1,357	2,890	4,174
(*b*) Government (32*b*iii)	2	—	17	24
47. Profits, interest and dividends to				
(*a*) Consumers (43*c*)	461	189	136	254
(*b*) Government (31*b*)	9	13	24	21
(*c*) Insurance funds (24*d*)	17	16	16	16
48. Pensions, leave pay, personal remittances (44*c*)	45	81	159	153
49. Insurance premiums paid by				
(*a*) Foreigners (18*d*)	14	17	15	17
(*b*) Government personnel in Indonesia (18*e*)	19	—	—	—
50. Imputed payments to insurance funds (19*b*)	6	5	5	6
51. Reparations (33)	—	—	117	5
52. Total	2,083	1,678	3,379	4,670

RECEIPTS	*1938*	*1946*	*1947*	*1948*
53. Goods and services to				
(*a*) Business enterprises on current account (3*a*)	1,217	1,697	3,147	4,492
(*b*) Consumers (36*c*)	287	455	755	455
(*c*) Government (26*b*)	58	188	143	263
(*d*) Business enterprises on capital account				
(i) Purchase of capital goods (8*c*)	153	415	841	676
(ii) Increase in stocks (9*b*)	—	—	68	—
54. Interest and dividends from				
(*a*) Business enterprises (1*c*iv)	143	44	56	91
(*b*) Government (26*d*iii)	—	14	41	53
(*c*) Insurance funds (imputed) (22*b*)	6	5	5	6
55. Insurance benefits (14*b*)	8	22	8	15
56. Net foreign investment by the Netherlands (59)	211	—1,162	—1,685	—1,381
57. Total	2,083	1,678	3,379	4,670

Sources: (2), (4) and (7) cited on page 108.

NETHERLANDS

TABLE 12

Combined Capital Account

(millions of guilders)

EXPENDITURES	*1938*	*1946*	*1947*	*1948*
58. Net investment in business enterprises (12)	91	831	1,592	1,792
59. Net foreign investment (56)	211	—1,162	—1,685	—1,381
60. Total	302	—331	—93	411
RECEIPTS	*1938*	*1946*	*1947*	*1948*
61. Reserves of insurance funds for increased liabilities toward				
(*a*) Consumers (16*a*)	152	299	342	373
(*b*) Foreigners (16*b*)	6	—10	—	—
62. Saving by				
(*a*) Consumers and corporations (40)	239	774	117	—296
(*b*) Government (28)	—95	—1,394	—552	334
63. Total	302	—331	—93	411

Sources: (2), (4) and (7) cited on page 108.

NOTES TO TABLES

TABLE 1

Item

1. Incomes assessed in the fiscal year 1939/40 have been earned in 1938. This lag in income tax statistics has been taken into account.
2. Evasion of income tax has been estimated at 10 per cent of total assessed income.
3. These additions originate in deductions granted by the Revenue Act. A few minor deductions on which quantitative information does not exist on an annual basis have been left out of consideration. These include profits of consumers' co-operatives, income from forestry, and dividends paid by mutual insurance companies to policy-holders. Premiums for life insurance are included under 3(*b*) to the extent that they are deductible. Incomes appear in the tax statistics before deductions for children, except where the incomes after those deductions would be exempt from income tax, in which case they are omitted from the statistics. Therefore, the correction under 3(*c*) refers to the latter group only.
5. Refers to income from shipping in the service of the Allies.
6. As a rule dividends are paid out the year after that in which they are earned, and therefore have to be shifted back one year. The correction has not been applied to dividends received from abroad.
7. The method of estimation of this item is very approximative. The major part of it refers to corporations and therefore does not belong under personal income.
9. Contributions to Government Pension Fund, Railroad and Miners' Pension Funds, private pension funds and social insurance funds, including pension funds for the overseas territories, located in the Netherlands. The annuities paid by the Government to cover the "back service" in the Government Pension Fund and the social insurance funds have been considered as a transfer and are, therefore, excluded from this item.
11. Including the return on investments in Holland of the pension funds of the overseas territories, located in Holland. The return on investments of life insurance companies is included to the extent the investments cover obligations to residents.
12. Taxes are added in under item 14.
13. Including interest received from the overseas territories and from abroad. Losses of government enterprises have been deducted, but the deficit of the railroads has been regarded as compensated by a government subsidy.
14. Tax on corporate profits, tax on coupons of bonds, income tax paid by non-residents.
16. The assumption has been made that 10 per cent of the total amount paid out by pension funds of the overseas territories, located in Holland, accrues to non-residents and this amount has therefore been deducted.
17. Military pensions are charged to the government budget on current account.
18. All interest on the public debt is regarded as a transfer; see item 13.
19. For the year 1939, half of the difference between the total of items 1-14 minus items 15-18 and the total of items 1-18 of table 2.

TABLE 2

Item

1. Rents on lands and net rental values of farm dwellings are included under item 14.

8. Includes all shipping, and a correction for income from sea shipping in the service of the Allies during the war, and hotels, restaurants, etc.

14. Net rents on lands and houses including farm dwellings; see table 3, item 3. Rents on other buildings are included, if actually paid for.

15. Interest received by banks is regarded as a payment for services rendered by banks to borrowers. For the years 1938, 1946, 1947 and 1948 the item could not be allocated by industries, and therefore an over-all deduction is necessary.

16. Salaries plus contributions to pension funds and social insurance of government personnel, excluding personnel of government enterprises and education.

Item

17. Includes private education.

18. Profits and interest of corporations operating abroad (including Indonesia), interest on the public debts accruing to bondholders in Holland, leave pay, pensions and contributions to pension funds for the overseas territories, located in Holland; wages and salaries in directors' head offices. Premiums for life insurance received from the Indies have also been included, probably on the ground that the policy-holders will later return to Holland. Includes also interest and dividends received from abroad, including interest on loans to other governments and undistributed profits of Dutch corporations operating abroad, less dividends, interest and profits payable abroad.

19. For the year 1939, half of the difference between items 1-14 minus 15-18 of table 1 and items 1-18 of table 2. The adjustment could not be applied for years after 1941.

TABLE 3

Item

1. Includes employees' contributions to social insurance and pension funds, bonuses and fees.

2. Includes employers' contributions to social insurance and pension funds, including pension funds for personnel of the overseas territories, located in Holland, and pensions and leave pay received from the overseas territories.

Item

3. Includes net rents on lands, and houses and on all other buildings for which rent is paid.

4. Obtained as residual. Includes dividends and interest received from abroad less dividends and interest payable abroad. Excludes all interest on mortgages and on bonds issued by mortgage banks, which has not been deducted from item 3.

TABLE 4

Item

2. Includes public capital formation.

4. Imports financed by official loans or gifts have been treated like other imports.

6. Taxes on rents and taxes on private automobiles

Item

have been regarded as direct taxes. The financing of the deficit of the railroads has not been included among subsidies. Subsidies to finance investment projects such as drainage of land and shipbuilding have also been excluded.

TABLE 5

Item

1. (*a*) Includes payments in kind, tips, etc., and family allowances and sickness payments.

1. (*b*) Employers' contributions to social insurance and pension funds.

1. (*c*) Before corporate and individual income taxes.

1. (*c*) (i) Includes undistributed profits of corporations, which are imputed to stockholders.

1. (*c*) (iii) Profits and interest of government enterprises, and shares in private profits accruing to the government.

Item

2. (*a*) Includes import duties, sales tax, excises, real estate tax, stamp duties, fees, tax on rent of business buildings and taxes on business vehicles. Tax on rent of private dwellings and tax on private automobiles and similar taxes are regarded as direct taxes.

2. (*b*) Includes all subsidies aiming at price reductions, net of all levies by the Agricultural Stabilization Fund. The financing of the deficit of the railroads and government payments for investment purposes have not been considered as subsidies but are imputed to policy-holders, see item 22, and off-goods and services.

2. (*c*) At replacement values.

TABLE 6

Note. This account refers to physical capital formation only and excludes all transactions in financial claims between the business sector and other sectors of the economy.

Item

12. Balancing item.

TABLE 7

Item

14. Social insurance benefits and pensions, annuities and all other claims, including surrenders.

15. Costs, including profits, of administering life insurance companies and other funds, allocated among domestic and foreign policy-holders according to total reserves.

Item

19. Interest and dividends received by insurance funds are imputed to policy-holders, see item 22, and offset by imputed charges.

20. Annuities paid by the government to cover the "back service", and other arrears, see note to item 9 of table 1.

TABLE 8

Item

22. See note to item 19 of table 7.

Item

24. (*b*) Interest on loans to policy-holders.

TABLE 9

Note. In this account public capital formation has been treated as government current expenditure on goods and services.

Item

26 and 32. Includes purchase and sales of physical capital assets; excludes commodities handled by government trading agencies.

26. (*c*) (i) Includes payments in money and kind to armed forces overseas.

26. (*d*) Comprises interest paid to consumers, insurance funds, etc., and that part of interest paid to banks not regarded as a payment for services rendered by banks to the government.

27. (*a*) Unemployment assistance, aid to war victims, poor relief, etc.

27. (*b*) Various additional payments to social insurance and pension funds; see note to item 20 of table 7.

Item

27. (*c*) Price-reducing subsidies only; all other subsidies are included among outlay on goods and services (26). War indemnities are excluded since they are considered as capital transfers.

28. The item is obtained as a residual, and therefore it is influenced by the methods used in estimating other items in the account, particularly item 30.

30. (*a*) Includes corporate profit taxes and death duties; the figure represents an estimate of the taxes received by the government in each year but excludes advances by assessees required because of abnormal conditions after the war and the expected capital levies.

32. Includes rents and fees.

TABLE 10

Item

35. Includes corporate profit taxes (see note to item 1(*c*)(i) of table 5), death duties and taxes on rents.

36. (*a*) Includes trade margins and indirect taxes on imported consumer goods which are not included under 36(*c*).

36. (*c*) Imported consumer goods valued c.i.f., less subsidies; includes consumption and provisions in kind of armed forces overseas, and tourist expenditure abroad.

38. See note to item 19 of table 7.

Item

39. See note to item 24(*b*) of table 8.

40. Total of saving by persons and corporations. Since the item has been obtained as a residual, its magnitude is influenced by the methods used in estimating direct taxes falling on incomes earned (item 35 and other items).

42. Includes payments in kind which are also included in item 36.

43. (*d*) See note to item 19 of table 7.

44. See notes to items 14 of table 7, 27(*a*) of table 9, and 48 of table 11.

TABLE 11

Item

47. Return on Dutch investments in the overseas territories and abroad, including interest on loans to the governments of the overseas territories and other countries.

48. Pensions and leave pay mainly to personnel from the overseas territories.

50. See note to item 19 of table 7.

53. Imports financed by official loans or gifts have been treated like other imports.

Item

53. (*b*) See note to item 36(*c*) of table 10.

54. (*c*) See note to item 19 of table 7.

55. See note to item 14 of table 7.

56. Balancing item; to obtain the correct figure an adjustment is necessary for the increased liabilities of insurance funds toward foreigners (item 61(*b*) of table 12).

TABLE 12

Note. The table does not show net capital formation for the economy as a whole, since the government expenditure on capital goods has been treated as current expenditure on goods and services.

62. See notes to item 28 of table 9, and item 40 of table 10.

Derivation of National Income Totals from the Social Accounts

The national income and expenditure totals for the years 1938, 1946, 1947 and 1948 as shown in tables 3 and 4 may be derived from the social accounts as follows:

National income at factor cost equals items $1 + 26(c) + 47 + 48 + 49(b) - 54$.

Net national expenditure at market prices equals items $8 + 9 - 11 + 15(a) + 26(a)(b)(c) - 32(a)(b) - 33 + 36 + 56 - 61(b)$.

Indirect taxes minus subsidies equal items $2(a) - 2(b)$.

NEW ZEALAND

Source

(1) *Official Estimates of National Income and Expenditure, 1938-39—1948-49,* Supplement to the June-July 1949 issue of the *Monthly Abstract of Statistics,* Census and Statistics Department, Wellington.

Definition of National Income and Related Aggregates

The estimates of national income and private income for the years 1938/39 to 1947/48 published last year have been revised, and figures for 1948/49 have been made available (tables 4 and 5). For the years 1938/39, 1943/44, and 1946/47 to 1948/49, preliminary estimates of gross national expenditure have been compiled for the first time. All the components of national expenditure have been more or less independently estimated with the exception of personal expenditure on goods and services, which is derived as a residual item (table 4).

As a first step in the direction of constructing national accounts for New Zealand, the receipts and expenditures of the private sector and the government sector are shown for 1938/39, 1943/44, and 1946/47 to 1948/49 (tables 1 and 2). In addition, the combined capital account for New Zealand is given (table 3). Detailed explanations of each of the items in these accounts will be found in the notes to the tables.

The definitions of the income aggregates remain substantially as before (see previous issue of *National Income Statistics of Various Countries*). A number of changes have, however, been introduced, and these are explained below.

War gratuity, deferred pay and mufti allowances were formerly included in the pay and allowances of the armed forces in the year of actual payment. These non-recurring payments are now allocated over the war years (with reference to the size of the armed forces and the total ordinary pay and allowances received by members of the forces) so as to form part of private and national income in the years in which they were really earned.

The distinction between "productive" and "unproductive" public debt has been abandoned. Formerly, interest on "productive" debt was set off against government and local authority trading income, and interest on "unproductive" debt paid in New Zealand was treated as a transfer payment. The new treatment regards all interest paid in New Zealand on public debt as a transfer payment, and therefore as forming part of private income but not of national income or expenditure. However, since public trading income is now shown before transfer of interest to government, the change of treatment does not affect either total private income or national income. Interest on public debt paid abroad is, as in the earlier publication, regarded as a transfer, and does not lead to a reduction in national income. On the expenditure side, the outflow of interest on this account is offset by including foreign debt service in current government expenditure on goods and services.

The lump sum payment of £NZ 15 million 1944/45 from the United Kingdom Government for the purpose of strengthening New Zealand sterling funds and meeting the cost of eco-

nomic stabilization in New Zealand is now allocated on a pro-rata basis over the years 1939/40 to 1943/44. This sum was formerly distributed over each of the years 1938/39 to 1943/44 in proportion to subsidies to consumption paid during these years.

As before, no allowance has been made for evasion of taxation, or for negative income and losses of previous years allowed as a set-off against current income for taxation purposes.

NEW ZEALAND

TABLE 1

Private Income and Outlay

(millions of pounds (NZ))

RECEIPTS	*1938*	*1943*	*1946*	*1947*	*1948*
1. Salary and wage payments	111	141	187	211	226
2. Pay and allowances of armed forces	1	58	8	6	4
3. Social security benefits and pensions	8	16	35	38	39
4. Rental value of owner-occupied houses	6	8	9	9	10
5. Other personal income					
(*a*) Professions	5	73	9	11	12
(*b*) Commerce, trade, business	9		21	24	26
(*c*) Farming	25		47	60	64
(*d*) Changes in balances in primary produce stabilization accounts	—2		10	12	9
(*e*) Interest, rent, etc.	15		16	16	16
(*f*) Other	2		5	5	6
6. Company income (before distribution)	20	37	48	54	50
7. Total (private income before tax)	200	333	395	446	462

EXPENDITURES	*1938*	*1943*	*1946*	*1947*	*1948*
8. Personal expenditure on goods and services	150	180	260	295	310
9. Direct taxation	24	75	78	77	93
10. Private savings	26	78	57	74	59
11. Total (private outlay)	200	333	395	446	462

TABLE 2

Revenue Account of Government

(millions of pounds (NZ))

RECEIPTS	*1938*	*1943*	*1946*	*1947*	*1948*
12. Taxation					
(*a*) Direct	24	76	79	79	94
(*b*) Indirect	21	32	43	53	46
13. Trading income	9	18	15	13	12
14. Less direct taxes paid by government trading undertakings	—	1	1	2	1
15. Lump sum payments from UK	—	3	5	5	—
16. Total	54	128	141	148	151

EXPENDITURES	*1938*	*1943*	*1946*	*1947*	*1948*
17. Current expenditure on goods and services	32	161	55	63	65
18. Transfers to private income					
(*a*) Social security benefits and pensions	8	16	35	38	39
(*b*) Interest on public debt paid in New Zealand.	7	11	15	15	16
19. Subsidies	1	3	12	13	12
20 Surplus	6	—63	24	19	19
21. Total	54	128	141	148	151

TABLE 3

Combined Capital Account

(millions of pounds (NZ))

	RECEIPTS	*1938*	*1943*	*1946*	*1947*	*1948*		*EXPENDITURES*	*1938*	*1943*	*1946*	*1947*	*1948*
22.	Private savings ...	26	78	57	74	59	26.	Gross domestic capital formation	53	36	73	123	99
23.	Government surplus	6	—63	24	19	19	27.	Net foreign investment	—6	—4	30	—5	6
24.	Depreciation allowances	15	17	22	25	27							
25.	Total	47	32	103	118	105	28.	Total	47	32	103	118	105

TABLE 4

National Income and Expenditure

(millions of pounds (NZ))

	RECEIPTS	*1938*	*1943*	*1946*	*1947*	*1948*		*EXPENDITURES*	*1938*	*1943*	*1946*	*1947*	*1948*
29.	Salary and wage payments	111	141	187	211	226	43.	Personal expenditure on goods and services	150	180	260	295	310
30.	Pay and allowances of armed forces....	1	58	8	6	4	44.	Government current expenditure on goods and services	32	161	55	63	65
31.	Rental value of owner-occupied houses.	6	8	9	9	10	45.	Gross domestic capital formation	53	36	73	123	99
32.	Other personal income	54	73	108	128	133	46.	Net foreign investment	—6	—4	30	—5	6
33.	Company income...	20	37	48	54	50							
34.	Government and local authority trading income	9	18	15	13	12							
35.	Lump sum payments from UK.....	—	3	5	5	—							
36.	Less public debt interest paid in New Zealand	7	11	15	15	16							
37.	NATIONAL INCOME AT FACTOR COST....	194	327	365	411	419							
38.	Indirect taxes	21	32	43	53	46							
39.	Less subsidies	1	3	12	13	12							
40.	NATIONAL INCOME AT MARKET PRICES.	214	356	396	451	453							
41.	Depreciation allowances	15	17	22	25	27							
42.	GROSS NATIONAL PRODUCT AT MARKET PRICES	229	373	418	476	480	47.	GROSS NATIONAL EXPENDITURE AT MARKET PRICES	229	373	418	476	480

TABLE 5

National Income and Gross National Product

(millions of pounds (NZ))

	1938	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
1. Salary and wage payments	111.1	110.6	117.9	121.2	127.6	141.5	147.8	162.4	187.0	210.6	226.0
2. Pay and allowances of armed forces	0.9	3.1	16.7	26.5	47.1	57.9	48.3	40.0	8.2	6.4	4.0
3. Social security benefits and pensions	7.7	11.5	12.5	12.9	14.4	15.8	17.6	20.9	34.8	37.6	39.5
4. Rental value of owner-occupied houses	6.2	6.7	7.2	7.7	7.9	8.3	8.8	9.1	9.3	9.5	10.0
5. Other personal income (excl. company dividends)	54.3	60.1	59.0	63.0	67.7	72.9	80.3	90.0	107.7	127.9	132.5
6. Company income (before distribution)	19.9	25.0	24.0	28.0	33.2	36.7	38.2	42.0	48.3	53.7	50.0
7. Private income	200.1	217.0	237.3	259.3	297.9	333.1	341.0	364.4	395.3	445.7	462.0
8. Government trading income	8.7	10.4	11.9	13.4	16.6	17.9	14.5	15.3	14.5	13.4	12.0
9. Lump sum payments from UK	—	3.0	3.0	3.0	3.0	3.0	5.0	5.0	5.0	5.0	—
10. Less transfer incomes											
(*a*) Social security benefits and pensions	7.7	11.5	12.5	12.9	14.4	15.8	17.6	20.9	34.8	37.6	39.5
(*b*) Interest on public debt paid in New Zealand	7.0	7.5	7.8	8.4	9.4	11.3	12.9	13.8	15.1	15.3	15.5
11. NATIONAL INCOME AT FACTOR COST	194.1	211.4	231.9	254.4	293.7	326.9	330.0	350.0	364.9	411.2	419.0
12. Indirect taxes	20.6	21.0	22.3	23.2	27.9	31.8	34.0	37.3	43.0	53.0	46.0
13. Less subsidies	0.6	0.5	1.6	2.7	3.3	3.1	4.6	6.6	11.8	13.6	12.0
14. NATIONAL INCOME AT MARKET PRICES	214.1	231.9	252.6	274.9	318.3	355.6	359.4	380.7	396.1	450.6	453.0
15. Depreciation allowances	15.0	16.0	16.0	16.0	17.0	17.0	19.0	20.0	22.0	25.0	27.0
16. GROSS NATIONAL PRODUCT AT MARKET PRICES	229.1	247.9	268.6	290.9	335.3	372.6	378.4	400.7	418.1	475.6	480.0

NOTES TO TABLES

General note: All figures refer to fiscal years starting 1 April of year stated.

TABLE 1

Item	*Item*
1. Includes payments in kind, payments to workers under the Workers' Compensation Act and contributions by employers to superannuation schemes.	War gratuity (including special 5 per cent *per annum* bonus but excluding 2½ per cent *per annum* interest), deferred pay, and mufti allowance payments have been excluded in the year of actual payment and re-allocated over the war period so as to form part of the income of the forces in the years in which they were really earned.
2. Comprises service pay, allotments, allowances, and value of clothing, food, accommodation, educational services, medical services, etc., supplied to members of the forces both in New Zealand and overseas.	

TABLE 1 *(Continued)*

Item

3. Total monetary benefits plus war and other pensions (non-monetary benefits are treated as a part of current government expenditure on goods and services).

4. Net rental value (before payment of rates but after deductions for depreciation, mortgage interest, insurance, and repairs and maintenance) of all owner-occupied houses except farmhouses.

5. The aggregate income of professional men, farmers, and individual traders, as well as income other than salary and wages of salary and wage-earners (e.g., rent, interest, etc.). Includes interest credits to war gratuity accounts, and also changes in balances of primary produce stabilization accounts (similar to undistributed income accruing to farmers). Company dividends are here excluded and form part of item 6. No allowance has been made for negative income or losses of previous years allowed as a set-off against current income for taxation purposes.

6. Total income (distributed and undistributed) of companies. Excludes life assurance companies, net

Item

interest and rent receipts of which are included in item 5. Profits and dividends remitted abroad have been excluded together with profits of government trading institutions. No allowance has been made for negative income or for losses of previous years allowed as a set-off against current income for taxation purposes.

8. Total trading value, at market prices, of purchases of consumers' goods and services by individuals and non-profit-making bodies, plus income in kind received by them. The item is a residual obtained by subtracting items 44, 45 and 46 from item 47 (table 4).

9. Total taxes on income or accumulated wealth of individuals and companies. Includes income tax, social security taxes, national security tax, land tax, death duties, local authority rates, etc.

10. Includes undistributed company income, changes in balances of primary produce stabilization accounts, and changes in life assurance and superannuation funds. The item is a residual obtained by deducting items 8 and 9 from item 11.

TABLE 2

Item

12. (*a*) Item 9 of table 1 plus taxes paid by government trading undertakings (item 14 below).

12. (*b*) Includes customs duties, beer duty, sales tax, motor vehicles tax, amusement tax, stamp duties, postage tax and local authority license fees.

13. The net total of profits and losses of all public trading undertakings before transfer by way of interest on capital liability, direct taxation, etc., to government.

14. Required to offset inclusion in item 12(*a*) above.

15. Payments made by the United Kingdom Government partly for the purpose of strengthening New Zealand sterling funds and partly towards meeting the cost of economic stabilization in New Zealand. Allocation of the initial payment of £NZ 15 million has been made on a pro-rata basis over the years 1939/40 to 1943/44.

17. Total non-capital expenditure by government on the direct purchase of goods and services. Excludes transfer payments, such as interest on public debt

Item

paid in New Zealand and social security benefits and pensions; and loan repayments, payments to sinking funds, etc. Total expenditure on war and defense is treated as a non-capital item and included under this heading. Interest on the public debt paid overseas is also included as payment for a direct service. No provision has been made for depreciation charges on the national assets, but maintenance and repair expenditure on public works and services is included. Expenditure by government trading departments is excluded. The expenditure shown is net of sundry receipts of government departments and local authorities.

18. (*a*) See note to item 3 of table 1.

18. (*b*) Total interest paid in New Zealand on central government and local authority debt.

19. Total subsidies paid by the government less recoveries from primary produce stabilization accounts.

20. Balancing item.

TABLE 3

Item

22. See note to item 10 of table 1.

23. See note to item 20 of table 2.

24. An estimate of the depreciation allowed as a deduction from gross incomes for taxation purposes. Includes depreciation charges on owner-occupied houses and financial provision for depreciation by non-tax-paying government trading undertakings.

Item

No allowance is made for depreciation charges on other national assets such as roads, bridges, etc. Maintenance charges on these are included in current government expenditure on goods and services.

26. Public and private. Excludes "capital" expenditure on war and defense, which is treated as current government expenditure.

TABLE 3 *(Continued)*

Item	*Item*
27. Essentially on a cash basis, i.e., cash payments for imports are recorded as distinct from actual arrival of goods in the country, and cash receipts for exports are recorded as distinct from actual shipments. Excludes gifts from the New Zealand Government to the United Kingdom and to UNRRA.	

TABLE 4

See notes to corresponding items of tables 1, 2 and 3.

TABLE 5

See notes to corresponding items of tables 1, 2 and 3.

NORWAY

Sources

(1) *Nasjonalbudsjettet 1949*, St. Meld. no. 1, 1949, Department of Commerce, Oslo, 1949. (The National Budget 1949.)

(2) *Nasjonalinntekten i Norge 1935-1943*, Central Bureau of Statistics, Oslo, 1946. (National Income in Norway, 1935-1943.)

The National Accounts and Income Aggregates

With the publication of source (1), revised estimates of national income and product for 1946 and 1947 and figures for 1948 have been made available. Except for the fact that the unpaid services of housewives are no longer included in national income, the definitions underlying the new figures remain the same as for the earlier estimates for 1946 and 1947.[1]

Source (1) also shows in the form of a simplified system of national accounts the money flows for the sectors of the economy, not including transactions with the rest of the world, for the years 1946, 1947 and 1948. Tables 1 to 3 which follow present this information in modified form.[2]

Tables 2 and 3 show the revenue accounts of government and persons, respectively. The government account refers to central and local government and social security funds, but excludes the transactions of public enterprises except in so far as the net operating income is included among receipts of the government sector. Direct taxes include, beside the personal and corporate income taxes, property taxes and the capital levy, and old age pension and defense taxes. Fees collected by the government and special taxes paid into price stabilization funds are included among indirect taxes. On the expenditure side of the account, outlay on capital goods is not included; for this reason the surplus of receipts over expenditures is shown as "Surplus on current account".

The revenue account of persons refers to persons in their capacity as income receivers and consumers, and also includes non-commercial bodies such as charitable institutions, labour organizations, and the like. Wages and salaries include both employees' and employers' social security contributions, and income in kind. The social security contributions are shown on the expenditure side as transfers to government. Personal remittances to individuals and organizations abroad are recorded as transfers to abroad, and do not form a part of consumption expenditure. The saving figures of course include net investment in unincorporated enterprises, since the net income of such enterprises, which include farmers, is shown on the receipts side of the account.

[1] See *National Income Statistics of Various Countries, 1938-1947*, pp. 80-81, for a summary of the concepts used.

[2] All figures shown in these and the following tables are preliminary. New figures in the form of national accounts for the years 1930 to 1948 are in preparation in the Central Bureau of Statistics and will be made available in the near future.

Table 1, the national income and expenditure account, summarizes the revenue accounts of government and persons, and completes the picture of the inter-sector money flows of the economy by adding the transactions of the business sector, for which no separate account is given. Transactions with the rest of the world have also been incorporated in this table, so that not only domestic national income but also national income and product can be shown.

The figures shown for net domestic investment are divided into investment by private business, persons (i.e., dwellings), public enterprises, and general government. While the basis of classification of general government expenditures between current and capital outlays is not stated explicitly, it may be assumed that most civil and military goods of a fairly durable nature have been classified as capital investment.[1]

In arriving at the net foreign investment figures, no distinction is made between normal commercial imports on the one hand, and German reparations and imports financed by the European Recovery Program and by other official gifts on the other hand. Consequently, the size of the deficits for the three years in question is exaggerated. Money remittances and other unilateral financial transfers do not enter into the figures for net foreign investment shown here.

Table 4 shows net national product at market prices by industrial origin for the years 1938 to 1943 and 1946 to 1948. Only total depreciation for each year is shown; gross product is shown as the sum of the net product of all industries plus total depreciation on all capital. Net value of government excludes the value added in government enterprises, which has been classified by industry. In addition, the figures for government exclude health and educational services, which are classified together with various other services under the heading "Other services".

The figures for the period 1938 to 1943 are based on source (2),[2] while those for the later years are taken from source (1). For this reason, the figures are not fully comparable. With respect to the series shown for depreciation, the figures for the years 1946 to 1948 are based on a broad concept of gross investment which includes all maintenance and repairs except daily supervision; for the years prior to 1946, gross investment includes only major maintenance and repair expenditure. Import duties are also treated differently in the periods 1938 to 1943 and 1946 to 1948, being included in the latter period only. Furthermore, the value of increases in livestock inventories is reflected in the figures for agriculture only in the last three years.[3]

Starting with the enemy occupation of Norway in 1940 and lasting through the war years, investment income from abroad and income from whaling and merchant shipping in the service of the Allies are not included in the national income estimates shown.

Source (1) also analyses, for the two years 1947 and 1948, the components of gross investment and personal consumption expenditures. Gross investment is classified first by type of capital good and the total change in stocks, and then into gross private and public investment (table 5). The breakdown of personal consumption expenditures is shown in table 6.

[1] See the note to item 12 (*b*) of table 1 for a division of total public investment into civil and military outlay.

[2] The value of housewives' services has been eliminated from the figures for these years in order to achieve a common classification for all the years shown in the table.

[3] Figures for national income by industrial origin for the years 1944 and 1945 have not been published. For a rough total estimate for 1944 and a breakdown of the 1945 figure by final expenditures, see pages 82 and 83 of *National Income Statistics of Various Countries, 1938-1947.*

TABLE 1

National Income and Expenditure Account

(millions of kroner)

RECEIPTS	*1946*	*1947*	*1948*
1. Wages and salaries	4,550	5,050	5,210
2. Net interest	20	24	19
3. Profits and other factor income	2,447	3,099	3,557
(*a*) Undistributed corporate profits after taxes and business transfers	400	400	300
(*b*) Income of unincorporated enterprises and other investment income	1,711	2,292	2,788
(*c*) Corporate taxes	240	350	480
(*d*) Net business transfers	96	57	—11
4. DOMESTIC NATIONAL INCOME AT FACTOR COST	7,017	8,173	8,786
5. Net interest and dividends from abroad	—25	—32	—36
6. NATIONAL INCOME AT FACTOR COST	6,992	8,141	8,750
7. Indirect taxes	1,260	1,499	1,534
8. Less subsidies	—392	—659	—742
9. NATIONAL INCOME AT MARKET PRICES	7,860	8,981	9,542
EXPENDITURES	*1946*	*1947*	*1948*
10. Personal expenditure on goods and services	5,985	6,954	7,193
11. Government current expenditure on goods and services	1,422	1,228	1,316
(*a*) Civil	1,062	1,038	1,126
(*b*) Military	360	190	190
12. Net domestic investment	1,225	2,164	1,923
(*a*) Private	969	1,578	1,471
(i) Business	869	1,358	1,271
(ii) Persons (dwellings)	100	220	200
(*b*) Public	256	586	452
(i) Enterprises	142	315	321
(ii) Other	114	271	131
13. Net foreign investment	—772	—1,365	—890
14. NET NATIONAL PRODUCT OR EXPENDITURE AT MARKET PRICES	7,860	8,981	9,542

Source: (1) cited on page 127.

TABLE 2

Revenue Account of Government

(millions of kroner)

RECEIPTS	*1946*	*1947*	*1948*
15. Direct taxes	1,025	1,507	2,039
(*a*) From persons	785	1,157	1,559
(*b*) Corporate taxes	240	350	480
16. Indirect taxes	1,260	1,499	1,534
17. Property income	—86	—89	—78
18. Transfers	462	489	385
(*a*) From persons	249	279	295
(*b*) From public and private enterprises	113	98	60
(*c*) From abroad	100	112	30
19. Total	2,661	3,406	3,880
EXPENDITURES	*1946*	*1947*	*1948*
20. Current expenditure on goods and services	1,422	1,228	1,316
21. Net interest	67	63	77
22. Transfers	515	730	901
(*a*) To persons	423	616	763
(*b*) To public and private enterprises	67	91	121
(*c*) To abroad	25	23	17
23. Subsidies	392	659	742
24. Surplus on current account	265	726	844
25. Total	2,661	3,406	3,880

Source: (1) cited on page 127.

TABLE 3

Revenue Account of Persons

(millions of kroner)

RECEIPTS	*1946*	*1947*	*1948*
26. Wages and salaries	4,550	5,050	5,210
27. Income of unincorporated enterprises and investment income	1,789	2,371	2,856
28. Interest	70	75	70
29. Transfers	483	676	823
(*a*) From public and private enterprises	50	50	50
(*b*) From government	423	616	763
(*c*) From abroad	10	10	10
30. Total	6,892	8,172	8,959

TABLE 3 *(Continued)*

Revenue Account of Persons

(millions of kroner)

EXPENDITURES	*1946*	*1947*	*1948*
31. Personal expenditure on goods and services	5,985	6,954	7,193
(*a*) Fees, etc. paid to government	128	128	131
(*b*) All other expenditure on goods and services	5,857	6,826	7,062
32. Direct taxes	785	1,157	1,559
33. Transfers	259	289	305
(*a*) To government	249	279	295
(*b*) To abroad	10	10	10
34. Saving	—137	—228	—98
35. Total	6,892	8,172	8,959

Source: (1) cited on page 127.

TABLE 4

National Product at Market Prices by Industrial Origin

(millions of kroner)

	1938	*1939*	*1940*	*1941*	*1942*	*1943*	*1946*	*1947*	*1948*
1. Agriculture	341	364	464	598	562	576	590	482	691
2. Forestry	138	101	153	232	232	234	302	361	401
3. Fisheries	61	60	70	131	132	114	153	222	239
4. Whaling	53	36	—	—	—	—	64	215	244
5. Manufacturing	1,321	1,464	1,545	1,796	1,772	1,938	2,855	3,675	3,989
6. Construction	248	296	532	1,061	979	730	736	800	786
7. Ocean transport	350	449	156	101	96	89	420	480	565
8. Other transport and communication	167	177	188	234	299	379	374	446	462
9. Trade	521	571	678	910	835	830	1,320	1,440	1,347
10. Government	100	107	112	112	127	145	338	278	298
11. Other services	810	846	875	931	970	994	1,097	1,102	1,110
12. Corrections	—224	—230	—249	—270	—275	—278	—364	—488	—554
13. DOMESTIC NET NATIONAL PRODUCT AT MARKET PRICES	3,886	4,241	4,524	5,836	5,729	5,751	7,885	9,013	9,578
14. Net interest and dividends from abroad	—60	—57	—	—	—	—	—25	—32	—36
15. NET NATIONAL PRODUCT AT MARKET PRICES	3,826	4,184	4,524	5,836	5,729	5,751	7,860	8,981	9,542
16. Depreciation	482	535	525	625	662	667	1,783	1,923	2,047
17. GROSS NATIONAL PRODUCT AT MARKET PRICES	4,308	4,719	5,049	6,461	6,391	6,418	9,643	10,904	11,589

Sources: (1) and (2) cited on page 127.

TABLE 5

Gross Investment by Type

(millions of kroner)

	1947	*1948*
1. Building and construction	1,591	1,687
2. Civil equipment (excluding transport equipment)	633	666
3. Military equipment	170	60
4. Ships	1,101	1,114
5. Other transport equipment	347	212
6. Changes in stocks	245	231
7. TOTAL GROSS INVESTMENT	4,087	3,970
Of which:		
(*a*) Gross private investment	3,078	3,078
(*b*) Gross public investment	1,009	892

Source: (1) cited on page 127.

TABLE 6

Personal Consumption Expenditures by Type of Product

(millions of kroner)

	1947	*1948*
1. Food	2,190	2,181
2. Beverages	575	590
3. Tobacco	315	337
4. Clothing and textiles	964	820
5. Footwear	148	160
6. Imported fuel	71	86
7. Gasoline and lubricants	23	23
8. Soap	58	62
9. Radio receivers	84	76
10. Other products	2,526	2,858
11. TOTAL PERSONAL CONSUMPTION EXPENDITURES	6,954	7,193

Source: (1) cited on page 127.

NOTES TO TABLES

TABLE 1

Item

1. Includes income in kind and employers' contributions to social security funds.
2. Includes interest originating in government enterprises and imputed interest on the part of insurance funds credited to policy-holders.
3. (*a*) The figures are very rough.
3. (*b*) Includes income of farmers, professional persons, and other self-employed persons. Dividends and other investment income received from abroad are not included.

Item

3. (*c*) Includes property taxes and capital levy as well as old age pensions and defense taxes.
3. (*d*) Confiscations of property by government, gifts to individuals and charitable institutions, etc., less special payments by government to agriculture and certain other transfers.
7. Includes special taxes paid into price stabilization funds and fees for concession permits.
10. For components for years 1947 and 1948, see table 6.

TABLE 1 *(Continued)*

Item

11. Includes expenditure to maintain public assets such as roads, buildings, bridges, etc. Figures are net of fees collected from the public.
12. (*b*) Can be split into capital outlays for civil and for military purposes as follows (millions of kroner):

	1946	*1947*	*1948*
Civil	216	456	432
Military	40	130	20

Item

13. Imports financed by official gifts (ERP, etc.) and German reparations are treated in the same manner as other imports; money remittances and other unilateral financial transfers are not taken into account.

TABLE 2

Item

15. See note to item 3(*c*) of table 1.
16. See note to item 7 of table 1.
17. Chiefly income from public enterprises; forms part of item 3(*b*) of table 1.
18. (*a*) Chiefly social security contributions of employers and employees (employers' contributions are shown here since such contributions have been included in the figures for wages and salaries in item 1).
18. (*b*) Chiefly confiscations of property by government and fines levied against former collaborators with the enemy.

Item

18. (*c*) Gifts, educational endowments, and German reparations.
20. See note to item 11 of table 1.
22. (*a*) Social security benefits, relief payments, scholarships, etc.
22. (*b*) Chiefly special payments to agriculture.
22. (*c*) Chiefly contributions to international agencies.
24. Government receipts from sales of goods furnished under ERP, etc., are not included in government income.

TABLE 3

Item

26. See note to item 1 of table 1.
27. See note to item 3(*b*) of table 1.
28. The figures are very rough.
29. (*a*) Comprises gifts to charitable institutions, etc.
29. (*b*) See note to item 22(*a*) of table 2.

Item

29. (*c*) Comprises gifts, inheritances, and the like.
31. See note to item 10 of table 1.
32. See note to item 3(*c*) of table 1.
33. (*a*) See note to item 18(*a*) of table 2.
33. (*b*) Chiefly remittances. See note to item 29(*c*).

TABLE 4

Note: Totals for the period 1938 to 1943 exclude customs duties and are therefore not fully comparable with totals for later years which include these amounts. Furthermore, the definition of depreciation was broadened starting with 1946 to include all maintenance and repairs except daily care.

Item

1. Includes value of increases in livestock for 1946, 1947 and 1948, and value of repair and construction work performed without compensation.
2. Includes value of increase in forest capital by growth and value of unpaid repair and construction work.
3. Includes most processing and wholesale trading in fish.
5. Includes public utilities and handicrafts.
7. Income from ocean transport outside German-occupied territory is excluded for the war years.
9. Includes government monopolies.

Item

10. Excludes public enterprises. Health and educational services are included in item 11 below.
11. Comprises professional, educational, financial, catering, and housing services, etc.
12. Adjustment to avoid double-counting of the services of banks, business insurance companies, veterinaries, advertising agencies, brokers, etc., which could not be allocated by branches of industry. For the years starting with 1946 customs duties have been added.
16. Starting with 1946, includes all maintenance and repair expenditure except daily care.

PARAGUAY

Source

(1) C. A. Soler and M. Cirovic, *La producción total del Paraguay en 1946 y su valor neto. Ensayo sobre la renta nacional,* Asunción, 1948. (The Production of Paraguay in 1946 and its Net Value. An Essay on National Income.)

The only estimate of national income for a recent year is that for 1946 made according to the net value added method. This estimate, shown in the following table, differs from the definition of national income at factor cost proposed by the Statistical Office in a number of respects.

The figures for the government sector represent total expenditure as given in the budget, rather than the outlay on wages and salaries. Consequently, the income originating in government appears to be overstated as compared with the usual method of valuation.

The net value added in banking and insurance appears to be confined to the profits made by banks and other financial intermediaries. The importance of this sector of the economy is therefore understated approximately by the amount of wages and salaries paid out.

The profits and interest payments of the *Ferrocarril Central* (Central Railroad), which is foreign-owned, are not included in the value added by transportation. While this procedure leads to too low a figure for income originating in transportation, total national income appears not to be affected since net income payable abroad has not been deducted as a separate item. The absence of a figure for net income from abroad from the table is easily explained if it can be assumed that income from abroad is negligible, and that investment income payable to foreigners has consistently been deducted in the industry sectors (as in the case of transportation).

PARAGUAY

National Income at Factor Cost

(millions of guaranies)

	1946		*1946*
1. Agriculture		*Brought forward*	378.5
(*a*) Vegetable	85.6	5. Banking, insurance	5.5
(b) Animal	64.3	6. Rent	10.0
2. Industry and handicrafts	138.8	7. Government	
3. Transportation, communication	34.8	(*a*) Central	34.0
4. Trade	55.0	(*b*) Local	4.0
		8. Services	20.0
Sub-total	378.5	9. NATIONAL INCOME AT FACTOR COST	452.0

NOTES TO TABLE

Item

5. Refers only to profits.

6. Includes actual and imputed rent of city dwellings only.

Item

7. Figures are for total government expenditure as shown in the budget.

PERU

Source

(1) *La Renta Nacional del Perú, 1942-1947,* Central Reserve Bank of Peru, 1949. (National Income of Peru, 1942-1947.)

Detailed estimates of national income and expenditure and gross national product for the years 1942 to 1947 are now available. The figures have been estimated on the basis of a questionnaire addressed to all heads of establishments. This inquiry is based on a special law authorizing the Central Bank of Peru to undertake the preparation of accounts of national income and expenditure and of balance of payments, and making it compulsory for all public and private undertakings to provide the Bank with the data required for these studies. For the years not covered by the questionnaire, supplementary estimates have been made on the basis of information derived from various statistical sources and special investigations. The subsistence income of the population in the rural areas has been established through separate inquiries and is included in national income.

As a general framework for the presentation of the statistics, the publications of the National Income Division of the United States Department of Commerce have been used. However, with respect to the definitions and the statistical measurement and presentation of certain items, differences may be noted, which in some cases are very considerable.

One of the most important items treated differently is the net income originating in the government sector. The figures for the government sector in the tables on national income by distributive shares, by industrial origin, and by groups of final expenditure are identical, and comprise in each instance the wage and salary bill plus outlay on goods purchased, less gross receipts of government enterprises. Ordinarily, the wage and salary bill for general government would be shown in the breakdown by industries, and in the distributive shares breakdown the same amount would be included with other wage and salary payments. In the customary form of presentation, government expenditure on goods and services would be shown as a component of national expenditure.

Profits and losses of government enterprises have been treated as such. Contrary to usual practice, government enterprises have been consolidated with general government services and not with the private industry groups to which they belong.

The figures in the tables are for the most part very rough estimates. For this reason, and also because details of treatment are not specified, in tables 1, 2 and 3 only the main classifications of national income by distributive shares, by industrial origin, and by forms of final expenditure have been shown.[1] The concept shown in the tables has been designated as national income, gross and net national product, etc. Actually, net income accruing to foreign investors is not shown as a separate item in the breakdowns by distributive shares and by industries. It has been assumed, however, that net income payable abroad has been subtracted from the totals, which therefore represent the national income and not the geographical product.

[1] Because of the preliminary character of the publication, a detailed analysis of the treatment of the government sector and income from government enterprises, business transfer payments, the adjustment for inventory revaluation, the statistical discrepancy, private gross and net capital formation, the net foreign investment component and other items which appear to raise certain problems, has been omitted here.

TABLE 1

National Income by Distributive Shares

(millions of soles)

	1942	*1943*	*1944*	*1945*	*1946*	*1947*
1. Salaries	287.3	311.5	341.9	563.2	510.3	752.7
2. Wages	493.3	512.4	709.8	727.0	890.7	1,139.3
3. Entrepreneurial income						
(*a*) Business	950.9	886.9	961.1	1,172.5	1,314.7	1,807.4
(*b*) Professions	12.0	15.6	19.6	28.6	37.1	45.0
4. Corporate profits	347.9	440.6	563.2	593.0	827.4	952.8
5. Rents	124.7	139.1	160.0	187.1	205.1	253.8
6. Interest	60.8	65.6	69.0	72.9	83.7	93.5
7. Government						
(*a*) Wages and salaries	260.6	277.9	349.4	361.2	428.3	424.9
(*b*) Purchases of goods	46.3	58.5	67.8	76.7	125.5	175.8
(*c*) Less gross receipts of government enterprises	74.6	94.0	107.3	116.5	148.9	197.7
8. NATIONAL INCOME AT FACTOR COST	2,509.2	2,614.1	3,134.5	3,665.7	4,273.9	5,447.5

TABLE 2

Gross and Net National Product by Industrial Origin

(millions of soles)

	1942	*1943*	*1944*	*1945*	*1946*	*1947*
1. Agriculture	946.2	1,029.0	1,082.3	1,232.3	1,482.1	1,968.2
2. Mining	352.9	367.8	355.1	398.7	409.2	528.7
3. Manufacturing	368.9	453.6	588.7	841.3	1,117.9	1,322.2
4. Commerce	428.2	452.5	786.2	890.5	1,098.7	1,418.4
5. Finance	85.3	87.1	100.7	107.6	122.6	135.1
6. Services	365.1	418.7	404.9	411.0	364.1	394.6
7. Government	232.4	242.3	309.9	321.3	404.9	403.1
8. Miscellaneous	173.1	189.6	201.1	251.9	291.3	646.0
9. GROSS NATIONAL PRODUCT AT MARKET PRICES	2,952.1	3,240.6	3,828.9	4,454.6	5,290.8	6,816.3
10. Less depreciation and capital outlay charged to current expense	238.6	345.2	410.6	462.6	663.8	798.0
11. NET NATIONAL PRODUCT AT MARKET PRICES	2,713.5	2,895.4	3,418.3	3,992.0	4,627.0	6,018.3
12. Less indirect taxes minus subsidies	203.9	281.0	283.5	325.9	352.6	570.2
13. Statistical discrepancy	—0.4	—0.3	—0.3	—0.4	—0.5	—0.6
14. NATIONAL INCOME AT FACTOR COST	2,509.2	2,614.1	3,134.5	3,665.7	4,273.9	5,447.5

PERU

TABLE 3

Gross National Expenditure

(millions of soles)

	1942	1943	1944	1945	1946	1947
1. Personal expenditures on goods and services	2,416.2	2,504.7	2,992.1	3,616.9	3,922.0	4,986.8
2. Government expenditure	232.4	242.3	309.9	321.3	404.9	403.1
3. Gross private domestic investment	200.7	470.0	529.5	520.0	1,086.0	1,550.7
4. Net foreign investment	102.8	23.6	—2.6	—3.6	—122.2	—124.3
5. GROSS NATIONAL EXPENDITURE AT MARKET PRICES ..	2,952.1	3,240.6	3,828.9	4,454.6	5,290.7	6,816.3

NOTES TO TABLES

TABLE 1

Item

1-2. Includes value of income in kind.

TABLE 2

Item

1. Includes the consumption by farmers of own produce valued at factor cost.
3. Includes handicrafts.
6. Refers to transport, construction, and public utilities.
7. See item 7 of table 1.
8. Real estate, professions, and services not elsewhere included.
10. Obtained as residuals by comparison with the totals shown in table 1.

TABLE 3

Item

2. See item 7 of table 1 and item 7 of table 2.

POLAND

Sources

(1) *Dochód Narodowy Polski, 1947,* Central Statistical Office, Statistical Publication Series D, no. 13, Warsaw, 1949. (National Income of Poland, 1947.)

(2) Communication of the Central Planning Office, Warsaw, 1949.

The Definition of National Income

Official figures for national income at market prices for the years 1947 and 1948 based on the concepts used in the Soviet Union have been made public by the Central Planning Office.[1] Source (1), which presents the figures for 1947 in current and in 1937 prices, gives a fairly detailed account of the Marxist theory of national income which forms the basis of the calculations. The estimates for 1948 shown below in table 1 along with the 1947 figures are not mentioned in source (1), but were made available later by the Central Planning Office and are presumably comparable with the 1947 figures.

[1] These figures are also shown on page 1 of the *Statistical Year Book of Poland, 1948,* published by the Central Statistical Office, Warsaw, 1949.

National income is defined as the sum of new values created by the expenditure of labour in branches of material production. In this connexion, national defense, security, administration, medicine, education, finance, religion, art, culture, science, etc., are not considered as branches of material production; and labour expended on these activities, while socially desirable, is considered as unproductive in the sense of not giving rise to the material basis for existence. Such labour creates no income, and the basis for the existence of these unproductive workers is to be found in the labour of productive workers. Productive labour, however, is not limited to labour associated with physical output. Labour employed in public passenger transport and communications, and in "productive industries based on the division of labour (e.g., laundries)" is regarded as productive. The following branches of activity are cited as comprising material production:

1. Industry;
2. Agriculture and forestry;
3. Construction;
4. Transport and communications;
5. Trade;
6. Other material production.

"Other material production" includes the output of works canteens, and banking and credit operations servicing material production. National income is found by computing the net value added in each of these branches of economic activity (table 1).

Manufacturing industry comprises state, local government, and co-operative industry, private industry and handicrafts. The net output of state industry, by far the largest sector of industry, can be broken down into the following costs:

1. Wage and salary payments (in cash and kind, and including insurance contributions and social welfare costs);
2. Allowances (excluding cost of transport);
3. Pensions and provisions;
4. Subsidies and grants paid out;
5. Rents;
6. Insurance of real property;
7. Rates and taxes;
8. Special charges borne by the Central Trade Offices:
   - (*a*) Charges for the maintenance of industrial administrative units,
   - (*b*) Charges on behalf of the Rationalization Fund,
   - (*c*) Consolidated turnover tax,
   - (*d*) Balance arising from price differences.

In addition, net output includes half of all unspecified operating costs which it was not possible to classify either as components of net output or as other costs.

Agriculture covers crop and livestock production, agricultural transport services, and the processing of agricultural products. Net output includes the increase in the livestock population. The depreciation of machinery and equipment, as well as farm buildings (including dwellings), was taken into account in arriving at the net figure.

Transport and communications refer to goods and passenger transport and communications services carried out professionally for productive and administrative purposes and for meeting the requirements of the public. Such activities carried out by industry, agriculture, and other branches on their own behalf are included in the gross and net production of these branches and do not form part of the output of the transport and communications branch. In arriving at net output, depreciation in certain nationalized communications services, including post, telegraph and

telephone, could not be deducted owing to the absence of information on which to base estimates. Depreciation of state railways was roughly estimated at 10 per cent of general operating expenses on the basis of experience in the Soviet Union.

Trade comprises state, local government and co-operative trading and private trade. To the extent that trade consists of the "extension of the productive process in the field of distribution", it is productive; non-productive activities in this sphere are those concerned with the "transformation of the form of value" from commodity value to monetary value or *vice versa*. The trade functions considered as productive are processing, sorting, packing, storage, transport, delivery, and similar activities. It should be noted, however, that the net output of trade as defined by the Central Planning Offices and shown in table 1 includes the costs involved in carrying out the non-productive functions in trade.

In private trade, the margin corresponding to profit and non-productive costs is regarded as having been created in industrial and agricultural production and appropriated by trade. Since for statistical reasons it was not always possible to segregate the non-productive from the productive costs, net profit after taxes[1] is referred to in table 2 as industrial and agricultural product appropriated; non-productive costs and taxes on profits are included in the remainder of net product of trade. But in theory, net profit plus that part of the remainder of net product which covers non-productive trade charges constitutes the full appropriated product which, though realized in trade, is created by labour employed in industry and agriculture.

For State trading no part of net product is shown as appropriated product, but the net trading surplus is divided into two parts. One part of this net trading surplus is attributed to trade activities, the remainder is included with net output of industry and agriculture.[2] In the case of the Central Trade Offices for the distribution of imported goods, the entire net surplus is attributed to industry and agriculture on the grounds that under a system of balanced trade, domestic industrial and agricultural production is the source of the value derived from imports.

Net output by branches of production for 1947 expressed in prices of 1937 as shown in table 1 is obtained not by deflating net output directly but by subtracting purchases of materials, depreciation, etc., valued in 1937 prices, from gross output at 1937 prices. Apparently, the depreciation component is based on a revaluation of fixed capital in 1937 prices.

Table 2 shows the shares of the socialized and private sectors in national income in 1947, and indicates the part of net product appropriated by private trade. The addendum to this table shows how the product appropriated by trade is derived.

POLAND

TABLE 1

National Income at Market Prices by Industrial Origin

(millions of zlotys)

	1947 (Current prices)	*1947 (1937 prices)*	*1948 (1937 prices)*
1. Agriculture	511,297	3,095	4,328
2. Forestry	13,198	346	
3. Industry	413,684	5,888	7,914
4. Handicrafts	77,530	546	
5. Building	51,876	496	671
6. Transport and communications	46,602	1,348	1,735
7. Trade	272,300	2,849	3,172
8. Other material production	5,303	160	197
9. NATIONAL INCOME AT MARKET PRICES	1,391,790	14,728	18,017

Sources: (1) and (2) cited on page 137.

[1] Net profit is also reduced by imputed wages and salaries for work of proprietors and members of their families. This imputed compensation for labour is added to other wages and salaries forming part of net product of trade not appropriated.

[2] This procedure does not seem to have been followed for local government and co-operative trading.

TABLE 2

Share of Socialized and Private Sectors in National Income in 1947

(millions of zlotys)

	1947 prices	*Per cent of national income*	*1937 prices*	*Per cent of national income*
NATIONAL INCOME AT MARKET PRICES	1,391,790	100.0	14,727.7	100.0
A. Socialized sector	513,103	36.9	8,265.2	56.1
(i) State	443,891	31.9	7,319.2	49.6
(ii) Local	10,010	0.7	318.4	2.2
(iii) Co-operative	59,202	4.3	627.6	4.3
B. Private	878,687	63.1	6,462.5	43.9
(i) Of which: value of product appropriated by private trade	144,425	10.4	1,457.2	9.9

Source: (1) cited on page 137.

ADDENDUM TO TABLE 2

Value of Product Appropriated by Private Trade in 1947

(thousand millions of zlotys)

1. Gross distributive margin	242
2. Costs	98
(*a*) Material	17
(*b*) Non-material	81
(i) Of which: wages and salaries	54
3. Industrial and agricultural product appropriated	144

Source: (1) cited on page 137.

NOTES TO TABLE

ADDENDUM TO TABLE 2

Item

1. Difference between values of turnover at selling prices and at purchase prices.
2. Both productive and non-productive.
2. (*a*) Includes depreciation allowances. Item 1 less this item is net output of private trade and forms part of item 7 of table 1.

Item

2. (*b*) Includes taxes on profits, and imputed wages and salaries of proprietors and members of their families (also included in item 2(*b*) (i)).
3. Corresponds to profits of private trading establishments after taxes on profits and after deduction of imputed compensation for labour.

PUERTO RICO

Sources

(1) *The Net Income of the Puerto Rican Economy, 1939-40 to 1945-46,* Division of Statistics, Office of the Governor, San Juan, 1949.

(2) Daniel and Henrietta L. Creamer, *Gross Product of Puerto Rico, 1944-1946,* University of Puerto Rico, Río Piedras, 1949.

The estimates of national income at factor cost for the fiscal years 1939/40 to 1943/44 prepared by Mr. Daniel Creamer[1] have been revised and extended to 1945/46 by the Division of Statistics (source 1). The definition of national income used by Mr. Creamer[2] has been retained, and all revisions are of a statistical rather than conceptual or methodological nature. These estimates are shown subdivided by distributive shares and industrial origin in tables 1 and 2, respectively. As before, government enterprises are classified in the government sector rather than by industrial branches.

Source (2) makes available estimates of gross national product or expenditure at market prices for the years 1943/44 to 1945/46.[3] The gross national product or expenditure totals are derived both by adjusting the national income figures of source (1) to show gross product, and by aggregating consumption and investment expenditures (table 3). Where these two largely independent approaches lead to different results, the totals provided by the latter approach are adjusted to agree with those of the former, which are regarded as more reliable. The components of consumption expenditure are shown in considerable detail. Capital expenditure, which is here defined to include the investment outlays of government enterprises as well as private domestic capital formation, is divided into construction, machinery, and the net change in inventories. The inventory change component refers only to the net change in the inventories of the major export commodities, i.e., raw sugar, tobacco and distilled spirits.

PUERTO RICO

TABLE 1

National Income at Factor Cost

(thousands of dollars)

	1939	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*
1. Compensation of employees	123,217	154,816	196,760	249,425	294,369	343,366	349,725
(*a*) Wages and salaries	117,297	143,280	182,019	234,348	286,620	338,336	345,511
(i) Private	80,524	97,706	114,129	114,647	134,948	154,497	184,089
(ii) Government	36,773	45,574	67,890	119,701	151,672	183,839	161,422
(*b*) Supplements to wages and salaries	5,920	11,536	14,741	15,077	7,749	5,030	4,214
2. Net profits of business enterprises	75,241	94,229	131,052	151,585	147,346	171,239	176,176
(*a*) Private	74,476	93,139	129,616	149,311	145,937	169,629	173,607
(*b*) Government	765	1,090	1,436	2,274	1,409	1,610	2,569
3. Rental income	20,058	20,118	22,469	23,933	26,586	28,567	28,276
4. Net interest	9,273	9,076	8,758	9,571	9,119	10,352	10,851
5. NATIONAL INCOME AT FACTOR COST	227,789	278,239	359,039	434,514	477,420	553,524	565,028

Source: (1) cited above.

[1] Daniel Creamer, *The Net Income of the Puerto Rican Economy, 1940-1944,* Social Science Research Center, University of Puerto Rico, 1947.

[2] Summarized on pages 90-91 of *National Income Statistics of Various Countries, 1938-1947.*

[3] The figures for 1943-44 are revisions of an earlier estimate by the same authors published in *Gross Product of Puerto Rico, 1940-44,* Social Science Research Center, University of Puerto Rico, 1948. For these and earlier figures relating to gross national expenditure, see table 2, page 91 of *National Income Statistics of Various Countries, 1938-1947.*

TABLE 2

National Income by Industrial Origin

(thousands of dollars)

	1939	1940	1941	1942	1943	1944	1945
1. Agriculture	70,468	78,474	106,076	120,534	109,019	129,292	143,674
2. Manufacturing	26,365	29,374	42,146	41,741	56,668	73,063	74,749
3. Contract construction	2,609	11,753	7,135	1,445	1,416	3,212	8,630
4. Transportation	13,538	19,782	24,602	24,733	28,425	27,433	27,472
5. Power and gas	1,838	2,040	1,704	400	302	327	305
6. Communications	739	834	1,051	1,088	1,282	1,472	1,204
7. Trade	24,330	29,341	38,505	44,494	53,998	57,682	57,447
8. Finance	3,161	3,454	4,197	4,415	4,892	6,583	8,265
9. Government	42,104	56,713	82,518	135,760	159,841	187,786	166,750
10. Services	20,489	24,526	28,604	34,678	37,114	39,655	45,188
11. Real estate	21,454	21,469	24,182	26,055	28,596	30,451	30,446
12. Miscellaneous	4,252	4,736	5,086	6,039	6,275	7,208	8,190
13. Net income from abroad	—3,558	—4,257	—6,767	—6,868	—10,408	—10,640	—7,292
14. NATIONAL INCOME AT FACTOR COST	227,789	278,239	359,039	434,514	477,420	553,524	565,028

Source: (1) cited on page 141.

TABLE 3

Gross National Product or Expenditure at Market Prices

(thousands of dollars)

	1943	1944	1945
1. NATIONAL INCOME AT FACTOR COST	477,420	553,524	565,028
2. Depreciation	14,766	14,045	13,232
3. Indirect taxes	107,100	80,198	84,527
4. Less government subsidies	15,123	22,246	26,654
5. GROSS NATIONAL PRODUCT OR EXPENDITURE AT MARKET PRICES	584,163	625,521	636,133
6. Consumption expenditures	443,257	510,450	600,676
(*a*) Food and tobacco	223,053	261,905	310,760
(*b*) Clothing, accessories and jewellery	48,507	58,617	71,549
(*c*) Personal care	6,412	5,901	8,213
(*d*) Housing	40,280	41,505	41,619
(*e*) Household operation	43,195	45,733	62,979
(*f*) Medical care and death expenses	12,774	13,202	15,131
(*g*) Personal business	8,683	10,465	10,637
(*h*) Transportation	35,155	44,673	43,944
(*i*) Recreation	8,796	10,470	12,951
(*j*) Private education	1,851	1,843	1,797
(*k*) Religious and other non-profit organizations	9,564	10,248	9,688
(*l*) Foreign travel and remittances	4,987	5,888	11,408

TABLE 3 *(Continued)*

Gross National Product or Expenditure at Market Prices

(thousands of dollars)

	1943	*1944*	*1945*
7. Government purchases of goods and services	170,852	196,679	171,080
8. Gross domestic capital formation	10,321	39,361	35,301
(*a*) Construction	1,485	4,095	25,232
(*b*) Machinery	9,581	14,678	24,772
(*c*) Net change in inventories	—745	20,588	—14,703
9. Net foreign investment	—48,030	—83,972	—114,952
10. Statistical discrepancy	7,763	—36,997	—55,972

Source: (2) cited on page 141.

NOTES TO TABLES

General note: All figures refer to fiscal years starting 1 July of year stated.

TABLE 1

Item

1. (*a*) (ii) With respect to the military, includes cash pay of Puerto Rican service men regardless of location of station, dependency benefits paid to families resident in Puerto Rico, and cost of food and clothing.

1. (*b*) Comprises workmen's compensation for accidents (cash payments and cost of medical care), employers' contributions to pension funds, work relief payments, and pay of military reservists.

Item

3. Includes imputed rent of owner-occupied houses. Adjusted for duplication of inter-business transfers and for cost of operating and maintaining property.

4. Excludes government interest payments arising outside public enterprises.

TABLE 2

Item

9. Includes all business enterprises owned and operated by the Insular Government.

Item

12. Includes earnings of hucksters and peddlers, shoemakers not in factories, newsboys and bootblacks, practical nurses and mid-wives, musicians and music teachers.

TABLE 3

Item

1. Taken from table 1.

7. Includes investment by general government.

8. Includes investment by government enterprises.

Item

8. (*c*) Net changes in inventories of raw sugar, tobacco and distilled spirits only.

10. Item 5 less the sum of items 6 to 9.

SOUTHERN RHODESIA

Sources

(1) "The National Income of Southern Rhodesia, 1946-48," *Economic and Statistical Bulletin of Southern Rhodesia,* vol. XVII, no. 11, 7 September 1949, pages 7-21.

(2) "The National Income and Expenditure of Southern Rhodesia, 1946-48," *Economic and Statistical Bulletin of Southern Rhodesia,* vol. XVII, no. 12, 21 September 1949, pages 7-19.

Definition of National Income

The sources quoted above make available estimates of national income at factor cost and net national expenditure for the year 1948 and revised estimates of the same aggregates for 1946 and 1947.[1]

The definition of national income underlying the present estimates is the standard definition of national income at factor cost recommended by the Statistical Office of the United Nations. The major changes made to comply with these recommendations are as follows:

1. Interest on government debt has been excluded;
2. Central and local government income from property previously omitted has been added;
3. As more complete information has become available, subsistence income produced and retained by Africans in Native reserves has been included. However, the value of European farmers' and plotholders' consumption of their own produce has not been included;
4. Immigrants' funds have been excluded.

With regard to the definition of "residents" adopted for the purpose of defining national income, the so-called "majority rule" has been followed. A person is considered to be a resident of this country if he fulfils any two of the following three conditions:

1. Permanent residence is in Southern Rhodesia;
2. Place of work is in Southern Rhodesia;
3. Employer is located in Southern Rhodesia.

As a consequence of the above definition, wages of migrant Native labour, i.e., of Nyasaland Natives working in Southern Rhodesia for varying periods, are included in the national income of Southern Rhodesia. Income from capital has only been included if the permanent residence of the recipient is in the colony; in the case of incorporated enterprises the country of registration is used as the criterion. Exceptions to this rule are the gold mines which, although registered in the United Kingdom, maintain all their assets and reserves in the colony. The Rhodesian Railways have also been considered as a Southern Rhodesian company although not controlled from within the colony until 1947.

Due to lack of information, the value of services rendered by banks and other financial intermediaries for which no specific payment is made has not been taken into account. Since, however, these institutions make a charge for almost all services, this omission is insignificant. Employers' contributions to social security and pension funds have been excluded; therefore income from labour appears to be under-estimated to this extent.

Except for the net income from abroad, the estimates of national income and the various components are on an accrual basis.

[1] For estimates of national income at factor cost for the years 1942 to 1945, see page 93 of *National Income Statistics of Various Countries, 1938-1947.*

SOUTHERN RHODESIA

TABLE 1

National Income at Factor Cost

(millions of pounds)

	1946	*1947*	*1948*
1. Wages and salaries			
(*a*) European			
(i) Private	11.6	13.7	16.9
(ii) Government	4.1	4.7	5.6
(*b*) African			
(i) Private	7.8	8.9	12.3
(ii) Government	0.4	0.5	
2. African subsistence income	4.8	5.0	8.8
3. Income from unincorporated enterprises			
(*a*) European	8.1	9.3	11.0
(*b*) African	1.7	1.9	2.5
4. Corporate profits	8.8	10.4	11.8
5. Income from property			
(*a*) Private	0.9	1.0	1.1
(*b*) Government			
(i) Central	0.5	1.1	1.7
(ii) Local	0.4	0.4	0.4
6. Less interest and dividends paid abroad	3.0	3.3	3.6
7. NATIONAL INCOME AT FACTOR COST	46.1	53.6	68.5

Source: (1) cited on page 144.

TABLE 2

Net National Expenditure

(millions of pounds)

	1946	*1947*	*1948*
1. Personal consumption			
(*a*) Current money expenditures on goods and services	34.6	40.1	51.9
(*b*) African subsistence consumption	4.8	5.0	8.8
2. Government current expenditures on goods and services	6.4	8.4	8.3
3. Net domestic investment	6.2	17.4	20.7
4. Net foreign investment	—3.0	—15.8	—18.8
5. NET NATIONAL EXPENDITURE AT MARKET PRICES	49.0	55.1	70.9
6. Less indirect taxes	3.4	4.0	4.1
7. Subsidies	0.5	2.5	1.7
8. NET NATIONAL EXPENDITURE AT FACTOR COST	46.1	53.6	68.5

Source: (2) cited on page 144.

TABLE 1

Item

1. (*a*) (ii) Includes income in kind of police, Rhodesian Armed Forces and RAF personnel.

1. (*b*) Value of food and housing supplied to African employees is included.

2. Estimate based on the average prices realized for native produce sold and estimated consumption of meat and major crops grown in reserves. An allowance has been made for the value of housing, firewood, fish caught and game killed in reserves.

4. Before deduction of direct taxes. Includes net receipts of interest and dividends from abroad and profits by Rhodesian Railways.

Item

5. (*a*) Includes also interest and dividends received from abroad, not elsewhere included, pensions received from abroad, imputed rents of owner-occupied houses. Interest and dividends paid out by Southern Rhodesian enterprises are included under item 4.

5. (*b*) Refers to interest and dividends received, profits and surpluses from trading activities other than profits of Rhodesian Railways, rents and royalties received by public authorities.

6. Refers to interest on national and municipal debt abroad, gross interest, dividends and profits accruing to external companies less income tax paid in Southern Rhodesia by these companies.

TABLE 2

Item

1. (*a*) This item is not a direct estimate but is obtained as residual by subtracting the sum of all other expenditures from item 5.

1. (*b*) See note to item 2 of table 1.

2. Refers to the current expenditure of the Southern Rhodesian Government and municipalities and of other governments in the Colony. Figures shown are after deduction of fees and other charges received by the government for goods and services supplied, e.g., education and hospital services.

Item

3. Refers to net investment in the private and government sector. Except in 1947 when an allowance was made for additions to the volume of stocks, no corrections have been made for changes in the volume or value of stocks.

4. Immigrants' and emigrants' funds and gifts to and from abroad have been excluded. Includes certain transfer items.

SURINAM

Source

(1) C. A. Oomens, "Jaarrekeningen voor Suriname 1938 en 1947", *Statistische en Econometrische Onderzoekingen,* 1948, vol. 3, no. 4, December 1948, Netherlands Central Bureau of Statistics, The Hague, pp. 134-142. (National Accounts for Surinam 1938 and 1947.)

The National Accounts and Derived Aggregates

The above-mentioned publication makes available for the first time a set of national accounts for Surinam. These accounts are for the years 1938 and 1947, and are considered tentative.

The customary current operating and revenue accounts for business enterprises, government, consumers and the rest of the world are presented (tables 1 to 4 inclusive); in addition a combined capital account for the whole economy is provided (table 5). The treatment of public enterprises is somewhat unusual in that the operations of these enterprises are not consolidated into the operating account of business enterprises, but are shown in the government revenue account. Detailed information on the methods used in measuring various items has not been disclosed.

The accounts for business enterprises and consumers include estimates of output and consumption for the subsistence economy of the population living in the interior of the country. These estimates are not shown separately in the original source.

Estimates of national income at factor cost and gross national expenditure at market prices for the same years are given in tables 6 and 7. Most of the constituent items can readily be traced to the accounts. The figures shown for government current expenditure on goods and services (item 2 of table 7) are obtained from the revenue account of government (table 3) by subtracting from the value of government purchases (item 18) the total of receipts from sales of goods by public enterprises (items 27 and 28) and subsidies paid by the Netherlands Government (item 26).

SURINAM

TABLE 1

Operating Account of Business Enterprises

(millions of Surinam guilders)

EXPENDITURES	*1938*	*1947*	*RECEIPTS*	*1938*	*1947*
1. Factor costs			5. Sales to residents		
(*a*) Wages, salaries, profits (15)	18.3	49.4	(*a*) Persons (11*a*)	15.9	39.0
(*b*) Profits paid abroad (37)	1.9	3.0	(*b*) Government (18*a*)	1.5	7.9
(*c*) Profits of Surinam Bank, transmitted to government (25)	—	0.1	(*c*) Business on capital account (40*a*)	3.0	4.5
2. Other costs			6. Sales to non-residents		
(*a*) Indirect taxes (23)	2.3	7.6	(*a*) Netherlands Government (31*b*)	0.2	0.4
(*b*) Depreciation allowances (45)	2.0	6.0	(*b*) Others (31*a*)	6.6	24.6
3. Purchases from			7. Production of gold (41*b*)	—	0.3
(*a*) Non-residents (36*b*)	1.8	7.8			
(*b*) Government (27*b*)	0.9	2.8			
4. Total	27.2	76.7	8. Total	27.2	76.7

TABLE 2

Revenue Account of Persons

(millions of Surinam guilders)

EXPENDITURES	*1938*	*1947*	*RECEIPTS*	*1938*	*1947*
9. Personal direct taxes (22)	0.5	3.3	14. Wages, salaries and supplementary labour income		
10. Contributions for pensions (24)	0.2	0.3			
11. Purchases of goods and services			(*a*) From Netherlands Government (32*a*)	0.3	1.7
(*a*) From business (5*a*)	15.9	39.0	(*b*) From Surinam Government (18*c*)	2.9	8.4
(*b*) From government (27*a*)	0.3	1.5	(*c*) From abroad (32*b*)	—	0.5
(*c*) From abroad (36*a*)	4.1	18.8	15. Wages, salaries and profits from business (1*a*)	18.3	49.4
12. Personal saving (44)	2.0	—1.3	16. Transfer payments from government (19)	1.5	1.6
13. Total	23.0	61.6	17. Total	23.0	61.6

TABLE 3

Revenue Account of Government[1]

(millions of Surinam guilders)

EXPENDITURES	*1938*	*1947*	*RECEIPTS*	*1938*	*1947*
18. Purchase of goods and services			22. Direct taxes (9)	0.5	3.3
(*a*) From business (5*b*)	1.5	7.9	23. Indirect taxes (2*a*)	2.3	7.6
(*b*) From government enterprises (28)	—	0.2	24. Contributions to Pension Fund (10)	0.2	0.3
(*c*) Direct services (14*b*)	2.9	8.4	25. Share in profits of Surinam Bank (1*c*)	—	0.1
(*d*) Direct expenditure abroad (38*b*)	0.8	0.8	26. Subsidies from Netherlands Government (33*a*)	2.5	—
19. Transfers to consumers (16)	1.5	1.6	27. Sale of goods		
20. Subsidies (38*a*)	—	0.1	(*a*) To consumers (11*b*)	0.3	1.5
			(*b*) To enterprises (3*b*)	0.9	2.8
			(*c*) Abroad (33*b*)	—	1.0
			28. Payments from government to government enterprises (18*b*)	—	0.2
			29. Deficit (42)	—	2.2
21. Total	6.7	19.0	30. Total	6.7	19.0

[1] Government enterprises are included.

TABLE 4

Rest of the World Account

(millions of Surinam guilders)

EXPENDITURES	*1938*	*1947*	*RECEIPTS*	*1938*	*1947*
31. Payments to business			36. Receipts from business for imports of		
(*a*) Exports (6*b*)	6.6	24.6	(*a*) Consumers' goods (11*c*)	4.1	18.8
(*b*) Purchases by Netherlands Government (6*a*)	0.2	0.4	(*b*) Raw materials (3*a*)	1.8	7.8
32. Payments to persons			(*c*) Capital goods (40*b*)	0.8	4.2
(*a*) Wages paid by Netherlands Government (14*a*)	0.3	1.7	(*d*) Gold (41*a*)	0.2	0.1
(*b*) Transfers by Surinam workers (14*c*)	—	0.5	37. Business profits paid abroad (1*b*)	1.9	3.0
33. Payments to government			38. Receipts from government		
(*a*) Subsidies from Netherlands Government (26)	2.5	—	(*a*) Subsidies on imported consumers' goods (20)	—	0.1
(*b*) Services by Surinam Government (27*c*)	—	1.0	(*b*) Direct expenditure (18*d*)	0.8	0.8
34. Net foreign disinvestment by Surinam (46)	—	6.6			
35. Total	9.6	34.8	39. Total	9.6	34.8

TABLE 5

Combined Capital Account

(millions of Surinam guilders)

EXPENDITURES	*1938*	*1947*	*RECEIPTS*	*1938*	*1947*
40. Gross home investment			44. Personal saving (12)	2.0	—1.3
(*a*) Home production of capital goods (5*c*)	3.0	4.5	45. Depreciation allowances (2*b*)	2.0	6.0
(*b*) Imports of capital goods (36*c*)	0.8	4.2	46. Net foreign disinvestment (34)	—	6.6
41. Gold transactions					
(*a*) Imports of gold (36*d*)	0.2	0.1			
(*b*) Production of gold (7)	—	0.3			
42. Government deficit (29)	—	2.2			
43. Total	4.0	11.3	47. Total	4.0	11.3

TABLE 6

National Income at Factor Cost

(millions of Surinam guilders)

	1938	*1947*
1. Wages, salaries and profits paid by business	20.2	52.4
2. Wages and salaries paid by		
(*a*) Surinam Government	2.9	8.4
(*b*) Netherlands Government	0.3	1.7
3. Government share in profits of Surinam Bank	—	0.1
4. Domestic national product	23.4	62.6
5. Net income from abroad	—1.9	—2.5
6. NATIONAL INCOME AT FACTOR COST	21.5	60.1

TABLE 7

Gross National Expenditure

(millions of Surinam guilders)

	1938	*1947*
1. Personal expenditure on consumers' goods and services	20.3	59.3
2. Government current expenditure on goods and services	1.5	11.8
3. Gross investment	4.0	2.5
4. GROSS NATIONAL EXPENDITURE AT MARKET PRICES	25.8	73.6
5. Less: depreciation allowances	2.0	6.0
6. NET NATIONAL PRODUCT AT MARKET PRICES	23.8	67.6
7. Less indirect taxes	2.3	7.6
8. Subsidies	—	0.1
9. NATIONAL INCOME AT FACTOR COST	21.5	60.1

SWEDEN

Sources

(1) *Ekonomiska utredningar våren 1949,* Meddelanden från Konjunkturinstitutet, Serie B:10, Stockholm, 1949. (Economic Essays, spring 1949.)

(2) *Konjunkturläget hösten 1949,* Meddelanden från Konjunkturinstitutet, Serie A:17, Stockholm, 1950. (The Economic Situation, autumn 1949.)

The National Accounts

The results of the first attempt to set up a social accounting system for Sweden were published in *Konjunkturläget hösten 1946.* The figures referred to the year 1943 and were considered provisional.[1] More recently, a system of accounts for the years 1946 and 1947 has appeared in source (1) (reproduced here in tables 1 to 7). With the appearance of source (2), which gives revised figures for the components of gross national expenditure for these two years, some of the figures in the accounts have become obsolete. They are, nevertheless, included here because the later source does not present a system of social accounts. The latest estimates for 1946 and 1947, together with figures for 1938, 1948 and 1949, will be found in tables 9, 10, and 11.

For purposes of constructing the accounts, the transactions of five main sectors of the economy are distinguished: business, central government, local government, private consumers and the rest of the world. The business sector is divided into two sub-sectors, agriculture and other enterprises. For each of these sectors an operating or revenue account is shown. In addition a combined capital account for the entire economy and an auxiliary account for interest, dividends, etc., are presented.

The operating account for agriculture (table 1, part A) covers only agriculture proper, i.e., forestry and related industries are excluded. The receipts side of this account shows separately the value of production for own consumption. The income of agricultural enterprises shown on the expenditure side is a balancing item and includes, besides the remuneration in money and kind for work and the profits of independent farmers, depreciation, expenditures on repairs, the decrease in livestock, insurance premiums, etc. It is believed that the receipts items for agriculture are understated; consequently the balancing item is probably too low.

The operating account of other enterprises (table 1, part B) is a consolidated account covering all other productive enterprises including those publicly owned. The net trading surplus of public enterprises is included in the expenditure item net of interest and dividends. The balancing item is made of incomes of some unincorporated enterprises below the tax limit, depreciation, changes in hidden reserves of unincorporated enterprises, and errors of estimation.

The revenue accounts for central and local government (tables 2 and 3) show a regrouping in economically significant categories of the revenue and expenditure items converted to a calendar year basis. The figures shown for surplus differ from the surplus shown on ordinary current account of government not only because of conversion to a calendar year basis, but also because certain investment expenditures appearing in the conventional government statements have been eliminated.

The revenue account of persons (table 4) discloses all forms of income in money and kind accruing to persons and non-profit-making bodies, whether this income is remuneration for services or not. Imputed rents of owner-occupied dwellings and the imputed value of banking services are also included among personal income. The disposition of this combined personal income is shown on the expenditure side. Consumption expenditure includes the value of agricultural production for own consumption, imputed rents and imputed charges by banks for services rendered without specific charge. The figure for gross savings includes depreciation, maintenance and repairs in unincorporated enterprises, and personal saving in the form of insurance.

[1] *Konjunkturläget hösten 1947* contained a system of social accounts with provisional figures for 1946.

The combined capital account for the economy (table 5) collects on the receipts side gross private savings and the surplus of government, government subsidies for investment and net foreign disinvestment, and shows how these receipts are used to finance domestic gross investment, including the increase in stocks.

Current transactions with the rest of the world are briefly summarized in the rest of the world account (table 6). Receipts signify receipts by the rest of the world from Sweden and expenditures refer to foreign payments to Sweden.

In addition to these accounts, an auxiliary account for interest, dividends, etc., is presented (table 7) which shows the total balance between such payments received and paid by the other accounts. The balancing item is net interest and dividends (and profits of public enterprises) paid by the sector designated other enterprises.

Gross National Product and Expenditure

Estimates of gross national product and expenditure for 1946 and 1947 are shown in table 8 in such a way as to emphasize the balance of realized demand and supply. The gross product side shows the gross output by broad industry groups, including government; the expenditure side presents current expenditure on goods and services and capital investment in some detail.

A less detailed table from source (2) showing gross national expenditure for the years 1938 and 1946 to 1949 is also given (table 9).[1] As mentioned earlier, the figures shown here for 1946 and 1947 supersede those given in the accounts and in table 8. No figures for net national income are available for Sweden owing to the difficulty of preparing reliable estimates for depreciation. Gross domestic capital formation classified by industry for the period 1946 to 1949 is shown in table 10. These figures differ from the corresponding entries in table 9 because changes in stocks are not included. Table 11 shows personal consumption expenditures by type for the same period. The totals given here exceed those of table 9 by the amount of expenditures on food, etc., in schools, hospitals and other public institutions, these being included in personal consumption expenditures in table 11 but in public consumption in table 9.

[1] Unrevised estimates for certain other years were given in the preceding issue of *National Income Statistics of Various Countries.*

TABLE 1

Operating Account of Business Enterprises

(millions of kronor)

A. *Agriculture*

	EXPENDITURES	*1946*	*1947*		*RECEIPTS*	*1946*	*1947*
1.	Wages and salaries (57)	430	470	6.	Sales of goods and services (17)	1,860	2,010
2.	*Income of agricultural enterprises (balancing item)* (58)	*1,360*	*1,420*	7.	Value of production for own consumption (52)	340	350
3.	Interest (85)	100	100	8.	Subsidies (28)	140	110
4.	Purchases from other enterprises (20)	450	480				
5.	Total	2,340	2,470	9.	Total	2,340	2,470

B. *Other enterprises*

	EXPENDITURES	*1946*	*1947*		*RECEIPTS*	*1946*	*1947*
10.	Wages and salaries (57)	8,960	10,170	20.	Sales of goods and services for domestic use (4, 27, 39, 52, 65, 66)	21,040	23,370
11.	Income of unincorporated business (58)	2,050	2,100	21.	Exports of goods (74)	2,550	3,240
12.	*Balancing item* (59)	*1,920*±x	*2,100*±y	22.	Net exports of services (75)	720	520
13.	Net interest and dividends (88)	910(?)	900(?)	23.	Subsidies (28, 40)	170	260
14.	Corporate taxes (33, 45)	510	520	24.	Increase in stocks (67)	100(?)	500
15.	Indirect taxes (34, 46)	1,870	1,750				
16.	Imports (79)	3,390	5,220				
17.	Purchases from other domestic sectors (50, 6)	1,970	2,130				
18.	Gross saving (69)	*3,000*∓x	*3,000*∓y				
19.	Total	24,580	27,890	25.	Total	24,580	27,890

Source: (1) cited on page 150.

TABLE 2

Revenue Account of Central Government

(millions of kronor)

	EXPENDITURES	*1946*	*1947*		*RECEIPTS*	*1946*	*1947*
26.	Wages and salaries (57)	750	800	33.	Direct taxes, etc. (14, 53)	1,520	2,330
27.	Purchases of goods and services (20)	390	410	34.	Indirect taxes (15)	1,850	1,730
28.	Subsidies (8, 23, 71)	300	360	35.	Fees, etc. (54)	140	170
29.	Transfer payments (49, 61)	860	940	36.	Interest and dividends (81)	360	300
30.	Interest on government debt (86)	290	310				
31.	*Surplus* (70)	*1,280*	*1,710*				
32.	Total	3,870	4,530	37.	Total	3,870	4,530

Source: (1) cited on page 150.

TABLE 3

Revenue Account of Local Government

(millions of kronor)

	EXPENDITURES	*1946*	*1947*		*RECEIPTS*	*1946*	*1947*
38.	Wages and salaries (57)	750	950	45.	Direct taxes (14, 53)	1,030	1,300(?)
39.	Purchases of goods and services (20)	310	430	46.	Indirect taxes (15)	20	20
40.	Subsidies (23)	30	30	47.	Fees, etc. (54)	120	130
41.	Transfer payments (61)	280	320	48.	Interest, dividends, etc. (82)	290(?)	290(?)
42.	Interest (87)	70	70	49.	Transfers from central government (29)	300	350
43.	*Surplus* (70)	*430*	*410*	50.	Sales of goods and services, etc. (17)	110(?)	120(?)
44.	Total	1,870	2,210	51.	Total	1,870	2,210

Source: (1) cited on page 150.

TABLE 4

Revenue Account of Persons

(millions of kronor)

	EXPENDITURES	*1946*	*1947*		*RECEIPTS*	*1946*	*1947*
52.	Consumption expenditure (7, 20, 62)	14,840	16,190	57.	Wages and salaries (1, 10, 26, 38)	16,220±x	18,010±y
53.	Direct taxes, etc. (33, 45)	2,040	3,110	58.	Income of unincorporated business (2, 11)		
54.	Fees, etc. (35, 47)	260	300	59.	Balancing item from operating account of other enterprises (12)		
55.	*Gross saving* (69)	*1,290*±x	*780*±y	60.	Interest, dividends, etc. (83)	720(?)	790(?)
				61.	Domestic transfer payments (29, 41)	840	910
				62.	Imputed services (52)	620	650
				63.	Net interest and dividends from abroad (76)	30	20
56.	Total	18,430±x	20,380±y	64.	Total	18,430±x	20,380±y

Source: (1) cited on page 150.

TABLE 5

Combined Capital Account

(millions of kronor)

	EXPENDITURES	*1946*	*1947*		*RECEIPTS*	*1946*	*1947*
65.	Private gross investment (20)	4,180	4,960	69.	Gross saving by persons and business enterprises (18, 55)	4,290	3,780
66.	Public gross investment (20)	1,830	1,900	70.	Surplus on revenue account of central and local government (31, 43)	1,710	2,120
67.	Increase in stocks (24)	100(?)	500	71.	Subsidies (28)	20	20
				72.	Net foreign disinvestment (77)	90	1,440
68.	Total	6,110	7,360	73.	Total	6,110	7,360

Source: (1) cited on page 150.

TABLE 6

Rest of the World Account

(millions of kronor)

	EXPENDITURES	*1946*	*1947*		*RECEIPTS*	*1946*	*1947*
74.	Purchases of Swedish goods (21)	2,550	3,240	79.	Sales of goods to Sweden (16)	3,390	5,220
75.	Net payment for services (22)	720	520				
76.	Net interest and dividends paid to Sweden (63)	30	20				
77.	*Net foreign disinvestment by Sweden (72)*	*90*	*1,440*				
78.	Total	3,390	5,220	80.	Total	3,390	5,220

Source: (1) cited on page 150.

TABLE 7

Auxiliary Account for Interest, Dividends, etc.

(millions of kronor)

	EXPENDITURES	*1946*	*1947*		*RECEIPTS*	*1946*	*1947*
81.	Interest, dividends, etc. to central government (36)	360	300	85.	Interest from agriculture (3)	100	100
82.	Interest, dividends, etc. to local government (48)	290(?)	290(?)	86.	Interest from central government (30)	290	310
83.	Interest, dividends, etc. to persons (60)	720(?)	790(?)	87.	Interest from local government (42)	70	70
				88.	*Balance: net interest and dividends from other enterprises* (13)	*910(?)*	*900(?)*
84.	Total	1,370	1,380	89.	Total	1,370	1,380

Source: (1) cited on page 150.

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TABLE 8

Gross National Product and Expenditure

(millions of kronor)

	1946	1947
1. Private domestic gross capital formation		
(*a*) Dwellings	1,560	1,690
(*b*) Manufacturing	1,600	2,100
(*c*) Agriculture	370	410
(*d*) Transportation	560	670
(*e*) Other	90	90
Total	4,180	4,960
2. Public domestic gross capital formation		
(*a*) Central government	1,210	1,150
(*b*) Local government	620	750
Total	1,830	1,900
3. Changes in stocks	100(?)	500
4. Net foreign investment	—90	—1,440
5. Private consumption		
(*a*) Food, etc.	6,350	6,770
(*b*) Rent	1,340	1,410
(*c*) Fuel and light	670	700
(*d*) Clothing	2,440	2,840
(*e*) Consumers' durables	1,590	1,810
(*f*) Other	2,450	2,660
Total	14,840	16,190
6. Public consumption		
(*a*) Central government	1,140	1,210
(*b*) Local government	1,060	1,380
Total	2,200	2,590
7. GROSS NATIONAL EXPENDITURE AT MARKET PRICES	23,060	24,700

	1946	1947
8. Product of agriculture	1,890	1,990
9. Product of manufacturing	7,200	19,580
10. Product of all other enterprises	10,900	
11. Product of central government	750	800
12. Product of local government	750	950
13. DOMESTIC GROSS NATIONAL PRODUCT AT FACTOR COST	21,490	23,320
14. Net income from abroad	30	20
15. GROSS NATIONAL PRODUCT AT FACTOR COST	21,520	23,340
16. Plus indirect taxes	1,870	1,750
17. Minus subsidies	330	390
18. GROSS NATIONAL PRODUCT AT MARKET PRICES	23,060	24,700

Source: (1) cited on page 150.

TABLE 9

Gross National Expenditure at Factor Cost and Market Prices

(millions of kronor)

	1938	*1946*	*1947*	*1948*	*1949*
1. Gross capital formation	3,120	5,970	6,120	7,260	7,790
(*a*) Private domestic	2,130	4,190	5,090	4,890	4,560
(*b*) Public domestic	790	1,770	1,990	2,440	2,770
(*c*) Changes in stocks	250(?)	100(?)	500	400	100(?)
(*d*) Net foreign investment	—50	—90	—1,460	—470	360
2. Consumption	9,560	16,910	18,650	20,250	20,450
(*a*) Private	8,430	14,640	16,070	17,400	17,500
(*b*) Public	1,130	2,270	2,580	2,850	2,950
3. GROSS NATIONAL EXPENDITURE AT MARKET PRICES	12,680	22,880	24,770	27,510	28,240
4. Subsidies	70	330	380	370	380
5. Less indirect taxes	680	1,860	1,760	2,070	2,170
6. GROSS NATIONAL EXPENDITURE AT FACTOR COST	12,070	21,350	23,390	25,810	26,450

Source: (1) cited on page 150.

TABLE 10

Gross Domestic Capital Formation by Industry

(millions of kronor)

	1946	*1947*	*1948*	*1949*
1. Private domestic gross capital formation (excluding changes in stocks)	4,188	5,094	4,894	4,564
(*a*) Dwellings	1,578	1,712	1,272	1,276
(*b*) Manufacturing	1,488	2,019	2,088	1,893
(*c*) Power plants	128	172	209	200
(*d*) Agriculture	356	427	513	495
(*e*) Transportation	550	666	704	575
(*f*) Other	88	98	108	125
2. Public domestic gross capital formation (excluding changes in stocks)	1,771	1,986	2,437	2,767
(*a*) Central government	1,184	1,248	1,480	1,678
(i) Enterprises	564	675	783	842
(ii) Military	451	356	398	500
(iii) Other	169	217	299	336
(*b*) Local government	587	738	957	1,089
3. Total (excluding changes in stocks)	5,959	7,080	7,331	7,331

Source: (2) cited on page 150.

TABLE 11

Personal Consumption Expenditures by Type

(millions of kronor)

	1938	*1946*	*1947*	*1948*	*1949*
1. Foodstuffs	3,430	6,350	6,800	7,360	7,540
(*a*) Excluding beverages and tobacco	2,800	5,040	5,360	5,720	5,890
(*b*) Beverages and tobacco	630	1,310	1,440	1,640	1,650
2. Rent	900	1,340	1,410	1,480	1,540
3. Fuel and light	380	660	690	730	710
4. Clothing	1,250	2,370	2,750	3,010	2,870
(*a*) Excluding footwear	1,090	2,080	2,410	2,660	2,530
(*b*) Footwear	160	290	340	350	340
5. Consumers' durables	920	1,310	1,540	1,670	1,620
6. Miscellaneous	1,600	2,710	2,990	3,270	3,340
(*a*) Travel	420	670	760	870	920
(*b*) Other	1,180	2,040	2,230	2,400	2,420
7. Total	8,480	14,740	16,180	17,520	17,620

Source: (2) cited on page 150.

NOTES TO TABLES

General note: Following the Swedish notation, especially rough estimates are here indicated by question marks after the figures. Balancing items in the sector accounts are shown in italics. The symbols $\pm x$ and $\pm y$ shown after certain figures indicate that large margins of error probably attach to the figures. These errors originate with the figures for gross saving in table 1, part B, and affect related items in the following tables. The symbols $\mp x$ and $\mp y$ are used to indicate the corresponding errors of opposite sign.

TABLE 1

Item

2. Covers remuneration in money and kind for work and profits of independent farmers. Includes also depreciation, repairs, the decrease in livestock, insurance premiums, etc., amounting to 350 million kronor in 1946 and 450 million kronor in 1947.

10. Covers assessed wages and salaries (for taxation purposes), with some corrections.

11. Covers assessed income (for taxation purposes) of independent producers outside agriculture.

12. Comprises depreciation and changes in hidden reserves of unincorporated enterprises outside agriculture, all errors of estimation, and some incomes below the tax limit.

Item

13. See item 88 of table 7. This item covers, besides net payments of interest and dividends, that part of gross surplus of central government enterprises turned over to central government, and the total gross surplus of local authority enterprises.

17. Mainly purchases from agriculture for resale or further processing.

18. Includes depreciation, insurance premiums, gifts, maintenance and repairs arising in private corporate and public enterprises, and retained profits of central government enterprises.

TABLE 2

Item

26. Includes military food consumption.

31. Differs from the surplus shown on the ordinary current account of central government in that all figures have been converted to a calendar year basis and investment expenditure shown on ordinary current account has been eliminated.

Item

33. Includes pension premiums, etc.

35. Includes income from government-owned lotteries and betting companies.

36. Includes operating surplus of central government-owned enterprises and income from other investments.

TABLE 3

Item

48. Includes rental and other income from property owned by local authorities.

50. Covers sales receipts of certain local authorities which conduct enterprises. To the extent that the cost of conducting these enterprises includes wages and purchases of goods and services forming part of items 38 and 39, it is a source of double-counting in national income. Profits resulting from these sales are included in item 43.

TABLE 4

Item

52. Includes the value of production for own consumption in agriculture, and imputed banking charges as well as imputed rent of owner-occupied dwellings.

55. Includes depreciation, maintenance and repairs in unincorporated enterprises, and personal saving in the form of insurance.

57-59. Includes income in kind.

60. Includes interest on that part of insurance funds which may be considered as belonging to consumers, and imputed bank services.

62. Covers imputed income of owner-occupied dwellings, imputed income from gardening, etc.

TABLE 5

Item

65. Includes maintenance and repairs.

66. Includes maintenance and repairs. Covers all investment in the public sector, including military investment.

71. Subsidies for capital formation purposes.

TABLE 7

Item

88. Shown net for statistical reasons.

TABLE 8

Item

1. Includes maintenance and repairs.

1. *(e)* Includes investment in commercial buildings, forestry and fishing.

2. Equals item 66 of table 5.

5. (*a*) Includes expenditures on food and beverages in restaurants.

5. (*f*) Includes expenditures on travel, telephone, post, amusements, etc.

8. Equals the sum of items 1 to 3 inclusive of table 1.

9, 10. The total of these two items equals the sum of items 10 to 14 and 18 of table 1, item 50 of table 3, item 62 of table 4 and item 71 of table 5.

11. Equals item 26 of table 2.

12. Equals item 38 of table 3.

TABLE 9

Note. Figures for 1938 relate to the fiscal year starting 1 July 1938.

Item

1. Includes maintenance and repair of domestic capital.

1. (*b*) See note to item 66 of table 5.

TABLE 10

Item

1,2. See notes to corresponding items of table 8. Changes in stocks are not included.

TABLE 11

Note. Figures for 1938 relate to the fiscal year starting 1 July 1938.

Item

1-6. See notes to item 5 of table 8. Expenditures on food, etc., by schools, hospitals and other public institutions are included here but are classified with public consumption in table 8.

SWITZERLAND

Sources

(1) *Das Volkseinkommen der Schweiz, 1938-1947,* Eidgenössisches Statistisches Amt, Berne, 1948. (National Income of Switzerland, 1938-1947.)[1]

(2) Communication of the Federal Bureau of Statistics, December 1949.

Definition of National Income and Related Aggregates

The basic concept employed is that of national income at factor cost defined as the sum of incomes before tax received by the factors of production in, or only temporarily absent from, Switzerland in the course of producing the current output of goods and services of all kinds. National income at market prices and personal and disposable income are also given. The series shown in the tables that follow are not comparable with the earlier official estimates published owing to conceptual and methodological changes. Breakdowns of national income by industrial origin and by type of final expenditure are not shown, and no estimates of gross national product are made. However, the income of unincorporated enterprises is shown by industrial origin (table 1, items 2(*a-e*)).

In general, the definition of national income underlying the estimates conforms closely to the standard definition proposed by the Statistical Office of the United Nations. The principal deviation arises in connexion with the treatment of interest payments on the national debt. Instead of excluding the whole of interest payments on the national debt from national income, the estimates exclude only the amount by which interest on the national debt exceeds imputed interest on productive assets (roads, buildings, etc.) owned by the national government. Imputed interest on real assets of the government is calculated by applying the average rate of interest for government securities to the estimated value of such assets. In the case of local government debts, it has been established that the value of the real assets owned more than matches the value of outstanding debts; consequently, no deduction from local government interest payments is required.

Unlike the earlier Swiss estimates, profits of corporations are now included before subtraction of corporate profits taxes. The present estimates also include the income in money and kind of the mobilized forces during the war years. Included in military income in kind are not only the value of food and clothing received, but also the value of shelter provided.

The estimates of personal income and disposable income are arrived at in the customary manner, except in so far as public transfer payments to individuals appear to embrace subsidies aimed at reducing consumers' prices along with the more usual items of transfer income (see note to table 2, item 6).

[1] Also available in a French translation, *Le Revenu national Suisse, 1938-1947.* The figures for 1947 and 1948 shown in tables 1 and 2 below were submitted in the communication cited as source (2); they are also published in the *Swiss Statistical Yearbook* of 1948, pages 422-425.

TABLE 1

National Income at Factor Cost and Market Prices

(millions of Swiss francs)

	1938	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
1. Compensation of employees.	4,191	4,141	4,202	4,801	5,383	5,862	6,172	7,145	8,311	9,635	10,300
(*a*) Wages and salaries....	3,954	3,899	3,939	4,493	5,042	5,487	5,771	6,709	7,805	9,038	9,500
(*b*) Employers' social security contributions ...	237	242	263	308	341	375	401	436	506	597	800
2. Income of unincorporated enterprises	1,873	1,903	2,088	2,531	2,851	3,119	3,219	3,371	3,516	3,740	3,750
(*a*) Agriculture	603	638	782	1,051	1,212	1,282	1,228	1,243	1,206	1,210	1,235
(*b*) Industry, handicrafts...	691	695	750	859	966	1,062	1,103	1,160	1,269	1,360	1,340
(*c*) Trade, banking, insurance	291	301	320	354	380	438	496	529	566	620	625
(*d*) Hotels, restaurants, transport, communications...	107	90	63	69	80	104	135	163	176	220	205
(*e*) Professions, domestic service	181	179	173	198	213	233	257	276	299	330	345
3. Compensation of members of the forces	23	170	383	257	218	260	304	109	15	33	47
4. Corporate profits	949	966	1,055	1,273	1,225	1,236	1,250	1,280	1,644	1,795	1,730
(*a*) Dividends	295	257	259	273	266	267	263	276	337	436	400
(*b*) Government enterprises.	267	313	331	352	349	356	378	372	460	429	417
(*c*) Undistributed profits...	172	181	229	246	221	218	209	239	300	415	505
(*d*) Corporate profits tax...	215	215	236	402	389	395	400	393	547	515	408
5. Net interest and rental income	1,536	1,516	1,503	1,489	1,488	1,492	1,494	1,503	1,487	1,569	1,653
(*a*) Interest	641	607	590	562	543	527	513	495	448	466	497
(*b*) Rent	895	909	913	927	945	965	981	1,008	1,039	1,103	1,156
6. Net income from abroad....	130	130	130	90	85	85	85	60	60	70	70
7. NATIONAL INCOME AT FACTOR COST	8,702	8,826	9,361	10,441	11,250	12,054	12,524	13,468	15,033	16,842	17,550
8. Indirect taxes less subsidies.	344	399	317	193	273	327	300	356	625	767	775
9. NATIONAL INCOME AT MARKET PRICES	9,046	9,225	9,678	10,634	11,523	12,381	12,824	13,824	15,658	17,609	18,325

Sources: (1) and (2) cited on page 159.

TABLE 2

Personal and Disposable Income

(millions of Swiss francs)

	1938	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
1. Compensation of employees and income of unincorporated enterprises	5,665	5,639	5,867	6,844	7,708	8,399	8,771	9,839	11,048	12,464	12,690
2. Pensions and social insurance benefits	351	352	339	353	384	405	441	471	500	545	585
3. Compensation of members of the forces	23	170	383	257	218	260	304	109	15	33	47
4. Interest and other income of persons	1,817	1,761	1,765	1,726	1,742	1,757	1,777	1,817	1,920	2,072	2,102

TABLE 2 *(Continued)*

Personal and Disposable Income

(millions of Swiss francs)

	1938	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
5. Personal income from work and property	7,856	7,922	8,354	9,180	10,052	10,821	11,293	12,236	13,483	15,114	15,424
6. Transfer incomes	95	107	307	362	376	474	598	441	327	400	466
7. PERSONAL INCOME	7,951	8,029	8,661	9,542	10,428	11,295	11,891	12,677	13,810	15,514	15,890
8. Less direct taxes paid by persons	502	502	570	1,017	904	900	1,106	1,178	1,593	1,467	1,474
9. DISPOSABLE PERSONAL INCOME	7,449	7,527	8,091	8,525	9,524	10,395	10,785	11,499	12,217	14,047	14,416

Sources: (1) and (2) cited on page 159.

NOTES TO TABLES

TABLE 1

Item

1. (*a*) Includes income in kind.

1. (*b*) The 1948 figure includes employer contributions to Federal Old Age Insurance. From 1940 to 1947, these contributions were paid to military compensation funds and are included in items 2 and 4(*d*).

2. (*a*) Includes horticulture, forestry and fishing.

3. Includes value of food, shelter and clothing.

4. (*b*) Also co-operative societies, life insurance companies, etc.

Item

4. (*d*) Includes taxes on capital and employer contributions to military compensation funds in the years 1940 to 1947 (see note to item 1(*b*)).

5. (*a*) Interest accruing to persons less the amount by which interest on the national debt exceeds imputed interest on government-owned productive assets. Interest income from abroad is excluded here and included in item 6.

6. Net investment income from abroad not elsewhere included.

TABLE 2

Item

1. Excludes contributions to pension and social security funds.

3. See note to item 3 of table 1.

4. Includes interest paid on the national debt.

Item

6. Public assistance, subsidies to reduce consumers' prices, and allowances to dependents of members of the forces.

8. Includes contributions to military compensation funds.

TURKEY

Sources

(1) S. Bilkur, *Revenu National et Dépenses Nationales de la Turquie en 1947 et 1948,* Office Central de Statistique, Ankara, June 1949.

(2) S. Bilkur, *National Income of Turkey: Estimates 1927-1945, Forecasts 1948-1952,* Central Statistical Office, Ankara, 1949.

(3) V. Eldem, "Le Revenu National de la Turquie," *Revue de la Faculté des Sciences Economiques de l'Université d'Istanbul,* No. 1-2, October 1947— January 1948.

(4) *Türkiye Milli Geliri 1943 ve 1944*, Central Statistical Office, Ankara, 1947. (National Income of Turkey, 1943 and 1944.)

Sources (1) and (2) present estimates of national income at market prices for the years 1943, 1945, 1947 and 1948. Table 1 shows the components of these estimates by industrial origin. While detailed information relating to the figures is lacking, it is stated that total national income is defined to include the rental value of owner-occupied dwellings, the value of farm produce consumed directly in farm households, and pensions paid by the government to widows and orphans of civil servants.

Source (1) also gives the components of net national expenditure (table 2). It appears that the figures for government expenditure shown here are not restricted to purchases of goods and services, but refer to total expenditure on all items as given in the budgets of central and local government. In addition, it appears that there is a substantial amount of double-counting of investment expenditure, inasmuch as government capital investment seems to form part of both the net investment and government expenditure components.

Table 3, based on source (4), gives the estimates of gross national product at market prices for the years 1942, 1943 and 1944. Except for the fact that value added by industries is shown gross of depreciation, the concept employed here resembles that used in sources (1) and (2). None of these sources include an estimate of net investment income (interest, dividends, branch profits, etc.) received from abroad. Since income of this nature received from or paid to abroad was negligible over the period considered, this omission is of no practical consequence.

Source (3) presents figures for the years 1938, 1939, 1944 and 1945 that purport to show national income at factor cost by industrial origin (table 4). Actually, these estimates measure national income after deduction of all direct taxes.[1] Since, for statistical reasons, it was not possible to allocate direct taxes by industries, the total of all direct taxes collected is deducted in the government item, which, it appears, comprises not only outlay on wages and salaries, but also defense expenditures, investment outlay, subsidies and transfer payments.

Consequently, in order to show total national income at factor cost according to the usual definition, the figures of table 4 need to be adjusted by adding back direct taxes, and eliminating the double-counting resulting from the inclusion in the government item of purchases from other industries and subsidy payments. In addition, transfer payments from government to the private sector would also have to be deducted from the total.

TURKEY

TABLE 1

National Income at Market Prices by Industrial Origin

(millions of pounds (T))

	1943	*1945*	*1947*	*1948*
1. Agriculture	2,620	2,760	2,500	3,400
2. Mining, manufacturing, handicrafts	800	800	900	1,000
3. Commerce and finance	1,630	1,510	2,050	2,530
4. Government, professions, etc.	320	540	790	800
5. Dwellings	130	130	160	170
6. NATIONAL INCOME AT MARKET PRICES	5,500	5,740	6,400	7,900

Sources: (1) and (2) cited on page 161.

[1] This subtraction is made to eliminate what the author mistakenly considers to be double-counting arising out of the fact that the taxes are paid out of current private incomes and then again spent by government.

TURKEY

TABLE 2

Net National Expenditure at Market Prices

(millions of pounds (T))

	1943	*1945*	*1947*	*1948*
1. Personal expenditure on consumer goods and services	4,000	4,200	4,300	6,200
2. Government expenditure	1,200	1,200	1,880	1,560
3. Net domestic investment (public and private)	240	250	290	360
4. Export surplus	60	90	—60	—220
5. NET NATIONAL EXPENDITURE	5,500	5,740	6,410	7,900

Source: (1) cited on page 161.

TABLE 3

Gross National Product at Market Prices

(millions of pounds (T))

	1942	*1943*	*1944*
1. Agriculture	3,710	4,434	3,451
2. Mining, manufacturing, and handicrafts	558	1,403	1,521
3. Commerce and finance	1,653	2,010	2,302
4. Government, professions, etc.	319	313	366
5. Dwellings	130	126	130
6. GROSS NATIONAL PRODUCT AT MARKET PRICES	6,370	8,286	7,770

Source: (4) cited on page 162.

TABLE 4

National Income at Factor Cost by Industrial Origin

(millions of pounds (T))

	1938	*1939*	*1944*	*1945*
1. Agriculture	617	634	2,943	2,345
2. Mining, manufacturing, and handicrafts	275	314	892	949
3. Transportation and communication	62	66	200	230
4. Commerce and finance	266	279	1,145	1,190
5. Government	127	125	437	530
6. Other incomes	242	251	390	421
7. NATIONAL INCOME AT FACTOR COST	1,589	1,669	6,007	5,665

Source: (3) cited on page 161.

NOTES TO TABLES

TABLE 1

Item

3. Includes transportation.

Item

4. Includes income of domestic servants, and widows' and orphans' pensions.

TABLE 2

Item

2. Refers to *total* government budget expenditure, including investment expenditure.
3. Includes government capital investment, which has already been included in item 2.
4. Excludes net income from abroad, which is negligible for the years shown.
5. There is a small discrepancy between the figures for 1947 shown here and in table 1.

TABLE 3

Item

3. Includes transportation and all indirect taxes collected.
4. Includes income of domestic servants, and widows' and orphans' pensions.

TABLE 4

Item

1. Includes rural industry.
2, 3. Government and private.
5. Excludes government enterprises. Comprises outlay on wages and salaries, defense expenditures, investment outlay, subsidies and transfer payments, less the total of direct taxes.
6. Chiefly rent, interest, and income from professions.

UNION OF SOUTH AFRICA

Source

(1) *Memorandum No. 6: Net National Income—1947-48,* Office of Census and Statistics, Pretoria, April 1949.

The latest official source, which presents figures for the fiscal year 1947/48 and revisions for the preceding year, divides the economy for the first time into a number of sectors along the pattern recommended by the report *Measurement of National Income and the Construction of Social Accounts.*[1] The first sector embraces private business enterprises, subdivided by branch of industry, and public enterprises, as well as house ownership. The second sector covers financial intermediaries and insurance, social security funds and private pension funds. Government and persons are each shown separately in the final consumers sector. The last sector covers transactions with the rest of the world. The entries in the sector accounts do not, however, show the usual summary of receipts and expenditures; they show only the income originating in each sector in the form of wages and salaries and other income. The present system therefore provides only a rudimentary framework for the development of the national accounts. It will be a number of years before sufficiently detailed statistical information will become available to enable the accounts for each sector to be completed in the usual way.

Only the figures for 1947/48 have been presented in the framework described (*cf.* table 1). The figures for 1946/47, which are revisions of the figures first published in *Memorandum No. 1, National Income, 1946-47,* have not been set out in the new form. Table 2 shows the industry breakdown according to the old form of presentation for both years, as well as for the earlier years beginning with 1938/39. Government enterprises are classified under government and not under the relevant branch of industry in this table for the last two years only.[2]

The definition of national income implicit in the estimates conforms in most particulars to the standard definition proposed by the Statistical Office of the United Nations, except in so far as interest has been imputed to government-owned tangible assets such as public buildings and roads. Details of the definition have been given in *National Income Statistics of Various Countries, 1938-1947.*

[1] Report of the Sub-Committee on National Income Statistics of the League of Nations Committee of Statistical Experts. Published by the United Nations, 1947.

[2] The figures for the earlier years are those of S. Herbert Frankel and are not fully comparable with the official figures for the last two years, particularly in respect to the classification of income by industrial origin. For further details see page 99 and table 1, page 100 of the previous volume of *National Income Statistics of Various Countries.* The breakdown by forms of final expenditure for this period are shown in table 2, same page (estimates of the components of national expenditure for more recent years are not available).

TABLE 1

National Income at Factor Cost

(millions of pounds (SA))

Sector I: Productive Enterprise			
A. Business Enterprise			*1947*
1. Agriculture, forestry and fishing			121.8
2. Mining			
(*a*) Gold			
Wages and salaries	43.8		
Other income	24.7	68.5	
(*b*) Other			
Wages and salaries	8.3		
Other income	10.8	19.1	87.6
3. Manufacturing, private			
Wages and salaries		101.0	
Other income		74.2	175.2
4. Trade and commerce			122.1
5. Transportation			
(*a*) Railways and harbours			
Wages and salaries	58.3		
Other income	7.5	65.8	
(*b*) Other (private)		9.8	75.6
6. Catering			16.6
7. Professions			
Wages and salaries		3.9	
Other income		12.5	16.4
8. Business, miscellaneous (public)			
(*a*) Union Government			
Wages and salaries	9.5		
Other income	4.7	14.2	
(*b*) Municipalities			
Wages and salaries	5.7		
Other income	4.0	9.7	
(*c*) Other			
Wages and salaries	0.4		
Other income	—	0.4	24.3
9. Business, miscellaneous (private)			
Wages and salaries		5.5	
Other income (mainly net rent)		8.5	14.0
B. House ownership			
10. House ownership			
Wages and salaries		4.3	21.6
Other income (net rent)		17.3	
11. Total, business enterprise			675.2

Sectors II and III: Financial Intermediaries and Insurance			*1947*
12. Financial intermediaries and insurance			
(*a*) Banking and insurance			
Wages and salaries	12.2		
Other income	8.2	20.4	
(*b*) Social security funds			
Wages and salaries	0.3		
Other income (imputed rent)	—	0.3	
(*c*) Private pension funds			
Wages and salaries	—		
Other income	—	—	
13. Total, financial intermediaries and insurance			20.7
Sector IV: Final Consumers			
A. Public Collective Providers			
14. Union government			
Wages and salaries	35.8		
Other income	0.9	36.7	
15. Provincial administrations			
Wages and salaries	28.1	29.6	
Other income	1.5		
16. Municipalities			
Wages and salaries	12.6		
Other income (interest)	2.7	15.3	
17. Higher education and research			
Wages and salaries	2.3		
Other income	0.1	2.4	
18. Other (Control Boards, etc.)			
Wages and salaries	0.5		
Other income	—	0.5	
19. Total, public collective providers			84.5
B. Persons			
20. Private individuals (wages of domestic servants)	22.3		
21. Aggregates of persons	4.5	26.8	
22. Total, final consumers			111.3
Sector V: Rest of the World			
23. Net debits			
Wages and salaries			—11.8
Other income			—28.0
24. Total, rest of the world			—39.8
25. NATIONAL INCOME AT FACTOR COST (Grand Total)			767.4

TABLE 2

National Income at Factor Cost

(millions of pounds (SA))

	1938	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*
1. Agriculture, forestry and fishing	50.0	52.9	52.1	58.0	73.7	78.3	76.9	83.8	99.9	121.8
2. Mining	81.5	98.3	99.7	101.1	94.2	93.2	95.9	95.0	86.4	87.8
3. Manufacturing	69.7	75.6	86.6	98.2	107.1	120.6	132.7	140.0	155.6	175.1
4. Trade and commerce	53.8	62.3	70.3	74.2	72.3	81.8	88.2	104.1	118.6	125.1
5. Finance	9.8	10.6	10.3	10.7	12.1	15.2	15.6	16.8	19.6	20.4
6. Catering services	6.9	7.0	7.0	8.1	9.1	10.9	10.9	12.5	14.1	16.6
7. Transportation	23.9	24.0	27.4	30.3	29.4	29.8	33.0	37.8	74.1	75.6
8. Government										
(*a*) Union	17.5	17.2	17.3	18.3	20.3	22.2	25.1	27.1	36.6	43.6
(*b*) Provincial	15.0	15.5	15.5	15.6	16.3	17.7	21.3	24.5	24.8	29.6
(*c*) Municipal	8.0	8.5	7.7	8.2	9.8	10.9	11.4	12.8	21.3	25.2
9. Education and research	12.4	12.0	11.7	12.8	13.0	13.2	13.6	14.0	3.1	3.2
10. Professions									16.5	18.0
11. Rent	27.3	27.7	28.3	30.8	31.7	32.4	32.6	32.8	20.1	21.2
12. Domestic service	11.7	12.0	12.3	13.6	16.1	20.7	23.5	25.0	25.1	27.2
13. Other services	7.3	7.7	7.8	8.4	9.0	9.9	11.5	12.0	8.5	8.6
14. Defense	—	2.7	23.0	42.7	56.2	62.3	63.3	58.0	10.1	8.2
15. Net income from abroad	—30.0	—28.0	—27.0	—25.0	—22.4	—19.8	—21.2	—21.7	—35.0	—39.8
16. NATIONAL INCOME AT FACTOR COST	364.8	406.0	450.0	506.0	547.9	599.3	634.3	674.5	699.4	767.4

NOTES TO TABLES

General note: All figures refer to fiscal years starting 1 July of year stated.

TABLE 1

Item

10. Includes owner-occupied dwellings. The figure of £4.3 million represents part of the wages of domestic servants which may be considered as spent on the upkeep of the dwellings. Net rent of farm houses is included under "Agriculture" inasmuch as the dwelling is considered an integral part of the farm. The net rent of flats is shown under item 9.

19. Public collective providers refers to governmental activities concerned with the provision of common services such as public education, public health, protection and defense. To the extent that public authorities conduct business enterprises, these have been included with other productive enterprises and are here excluded.

21. Refers to charitable and other non-profit-making bodies.

24. Refers to income generated abroad by factors of production owned by the Union less income generated in the Union by factors of production owned by other countries.

TABLE 2

Item

1. For the years 1938/39 to 1945/46 only, excludes rent of farms (included in item 11).

2-4. The figures shown for 1947/48 differ from the corresponding figures of table 1 because of slight differences in content. For the years 1938/39 to 1945/46 only, item 3 excludes small enterprises and handicrafts (included in item 13) and compensation of workers in defense factories (included in item 14).

7. For the years 1938/39 to 1945/46 only, excludes private transportation (included in item 13).

8. Includes public enterprises beginning with 1946/47. Items 8(*a*) and 14 give a total of £51.8 million for 1947/48 compared with the figure of £50.9 million that can be derived from table 1 (items 8(*a*) and 14). This is due to the different classification of certain elements of government in the two tables. Difference in classification also accounts for the discrepancy between item 8(*c*) and the corresponding figure derivable from table 1.

Item

9. The figure for 1947/48 exceeds the corresponding figure of table 1 in that the latter excludes certain private schools and commercial colleges (included in business enterprise) and mission schools (included in aggregates of persons).

10. The difference between the figure for 1947/48 shown here and that given in table 1 is accounted for by the inclusion of ministers of religion here (included in aggregates of persons in table 1).

11. The corresponding figure of table 1 for 1947/48 is lower because net rent of flats is there included in business enterprise (item 9).

12. The figure for 1947/48 exceeds the figure derivable from table 1 (wages and salaries of item 10 plus item 20) which classifies the wages of servants employed in the maintenance of flats in business enterprise (item 9).

14. See note to item 8 above. For the years preceding 1946/47, includes compensation of workers in government-owned defense factories.

UNITED KINGDOM

Sources

(1) *National Income and Expenditure of the United Kingdom, 1946 to 1948,* London, 1949 (Cmd. 7649).

(2) *National Income and Expenditure of the United Kingdom, 1947,* London, 1948 (Cmd. 7371).

(3) *National Income and Expenditure of the United Kingdom, 1938 to 1946,* London, 1947 (Cmd. 7099).

The National Accounts

The 1949 White Paper on National Income, source (1), gives revisions of the estimates for 1938, 1946 and 1947, and presents estimates for 1948.

Like its predecessor of two years ago (source 3), this publication shows the social accounts for the United Kingdom as well as the income aggregates derived from them. Accounts summarizing receipts and expenditures for each of the following four major sectors of the economy are shown: business enterprises, persons, government, and the rest of the world. In addition, a corporate income appropriation account showing the sources and disposition of total corporate income and a combined capital account are shown. Every receipt by an account also appears as a payment by the same or another account, and for convenience nearly all transactions are cross-referenced.

As usual, the Operating Account of Business Enterprises (table 1) is a consolidated account covering both private and public enterprises. The trading profit or surplus shown here is carried down to the Corporate Income Appropriation Account (table 2), and is added to other company income from government obligations and foreign securities. The expenditure side of this account shows the disposition of the combined income.

The Revenue Account of Persons (table 3) summarizes the receipts of persons, charitable organizations, and other non-profit-making institutions. The use of this income for the purchase of consumer goods and services, the payment of direct taxes, and saving is also indicated.

The Revenue Account of Government (table 4) shows income from taxation and property for the central government, local authorities, and national insurance funds. Transfers between one public authority and another, such as Exchequer grants to local authorities, are excluded from both sides of the accounts. Expenditure by public authorities financed by direct sales, as well as direct sales receipts, are also excluded. Interest payments on national and local authority debt are here regarded as negative government income; such negative income is balanced by including government debt interest payments in private income. The resulting total revenue is seen to be equal to current expenditure on goods and services, transfer payments, and surplus on current account.

The Combined Capital Account (table 5) shows on the receipts side the various sums saved out of current receipts by persons, business and government, together with sums set aside to provide for replacement of worn-out assets. These amounts are available to finance replacement of, and additions to, the national stock of assets at home and abroad. Domestic capital formation is divided into capital investment by enterprises, public as well as private, and by public authorities. The net foreign investment figures are subject to qualifications that will be explained below.

The Rest of the World Account (table 6) summarizes the transactions between the other countries and the United Kingdom, and is the balance of payments on current account looked at from the point of view of other countries, i.e., imports into the United Kingdom are shown as receipts, exports as payments or expenditures. The figures given here correspond to those of the White Paper on Balance of Payments (Cmd. 7648).

National Income and Related Aggregates

As customary, national income by distributive shares and by forms of expenditure is shown, but it has not been possible to present a breakdown by industries. For the first time, the national income by distributive shares is shown in sufficient detail so that professional earnings, income from farming, profits of other unincorporated enterprises, profits of corporations, profits of public enterprises, and net income from abroad can be distinguished. The earlier White Papers lumped these several items together as one. Table 7, which shows the distributive shares for the entire period 1938 to 1948, emphasizes the greater detail for the years covered by the latest source. The figures for the years 1939 to 1945, taken from sources (2) and (3), have been added to complete the table, but these figures are not strictly comparable with those carried in source (1) for reasons that will appear presently.

Gross national expenditure is also available in much greater detail than hitherto (*cf.* table 8).[1] As in the past, the estimates of total domestic investment are residuals obtained by subtracting all other forms of national expenditure from the sum of national income and the provision for depreciation.

The treatment of interest payments on the national debt remains the same as in the past, i.e., such interest payments are excluded from national income. The treatment of interest payments on the debts of local authorities is, however, new. Instead of regarding interest on the "non-productive" debt of local authorities as a factor payment as in the earlier publications, it is now treated in exactly the same way as national debt interest. In the social accounts, the total debt interest of government is regarded as negative government income and as positive private income. The effect of the change is to lower the national income by £40-£50 million annually throughout.

[1] The components of net national expenditure for the years 1939 to 1945 are shown on page 102 of the preceding volume of *National Income Statistics of Various Countries.*

The treatment of taxes estimated to fall on exports is also changed. Whereas in the past such taxes were treated as government income from property and, therefore, as part of national income at factor cost, they are now treated as indirect taxes.

Government expenditure arising in connexion with the new National Health Scheme has been considered part of current government expenditure on goods and services. This offsets the decline in personal expenditure on medical care.

Imports financed by the European Recovery Program are included along with all other imports in the balance of payments on current account, and in net foreign investment. This negative item is balanced by an increase elsewhere in national expenditure. Since grants under the European Recovery Program and similar gifts are not repayable, this treatment exaggerates the extent to which the United Kingdom ran down its foreign assets during 1948. It should also be noted that items entering into the balance of payments of the United Kingdom are shown essentially on a cash basis, not on an accrual basis. Consequently, the net foreign investment figures do not fully reflect increases resulting from the mounting value of exports since the end of the War. Net foreign investment is further understated because it does not include increases in the overseas capital equipment of British oil companies, and for other reasons. To offset the understatement resulting from the increase in the value of exports shipped but not paid for, as well as from the treatment of certain other transactions, an addition to gross domestic capital formation is made (*cf.* table 8, item 3*d*).

UNITED KINGDOM

TABLE 1

Operating Account of Business Enterprises

(millions of pounds)

RECEIPTS	*1938*	*1946*	*1947*	*1948*	*EXPENDITURES*	*1938*	*1946*	*1947*	*1948*
1. Sales to:					4. Purchases from overseas (49*a*)	925	1,216	1,723	1,938
(*a*) Persons (22*c*)	4,139	6,554	7,265	7,829	5. Indirect taxes (30*b*)	672	1,624	1,887	2,142
(*b*) Public authorities (33*a*)	302	773	685	715	6. Provision for depreciation (43*a*)	360	600	645	715
(*c*) Capital account (46)	770	1,285	2,040	2,352	7. Payments to factors of production:				
(*d*) Abroad (52)	733	1,387	1,494	2,029	(*a*) Wages and salaries (17*a*)	2,474	4,090	4,597	5,081
2. Subsidies from public authorities (37)	36	337	434	515	(*b*) Mixed incomes (18)	584	1,139	1,230	1,379
					(*c*) Net rent	395	422	425	430
					(*d*) Trading profit of companies (9*a*)	543	1,219	1,393	1,639
					(*e*) Surplus of public enterprises (9*b*)	27	26	18	116
3. Total	5,980	10,336	11,918	13,440	8. Total	5,980	10,336	11,918	13,440

Source: (1) cited on page 167.

TABLE 2

Corporate Income Appropriation Account

(millions of pounds)

RECEIPTS	*1938*	*1946*	*1947*	*1948*	*EXPENDITURES*	*1938*	*1946*	*1947*	*1948*
9. Trading profits of:					12. Amounts transferred to public authorities by public enterprises	27	26	25	61
(*a*) Companies (*7d*) ...	543	1,219	1,393	1,639	13. Dividends and interest paid by:				
(*b*) Public enterprises (*7e*)	27	26	18	116	(*a*) Companies	506	711	744	730
10. Other income of companies	220	277	291	306	(*b*) Public enterprises ..	—	—	13	60
					14. Companies' provision for taxation:				
					(*a*) Payments (*28b*) ...	77	545	450	505
					(*b*) Additions to tax reserves (*42b*)	10	—45	65	165
					15. Amounts placed to free reserves by:				
					(*a*) Companies (*41b*) ..	170	285	425	545
					(*b*) Public enterprises (*41c*)	—	—	—20	—5
11. Total	790	1,522	1,702	2,061	16. Total	790	1,522	1,702	2,061

Source: (1) cited on page 167.

TABLE 3

Revenue Account of Persons

(millions of pounds)

RECEIPTS	*1938*	*1946*	*1947*	*1948*	*EXPENDITURES*	*1938*	*1946*	*1947*	*1948*
17. Wages and salaries paid by:					*Personal expenditure*				
(*a*) Enterprises (*7a*) ...	2,474	4,090	4,597	5,081	22. Consumption expenditure at home:				
(*b*) Public authorities (*36*)	328	1,094	956	916	(*a*) Personal services (*17c*)	121	65	73	74
(*c*) Other persons (*22a*)	121	65	73	74	(*b*) Employers' insurance contributions (*30a*).	2	1	2	4
18. Mixed incomes (*7b*)....	584	1,139	1,230	1,379	(*c*) Other goods and services (*1a*)	4,139	6,554	7,265	7,829
19. Rent, dividends and interest	1,109	1,446	1,465	1,479	23. Consumption expenditure abroad (*49c*)	34	121	125	97
20. Transfer incomes (*38a*).	270	878	706	663		4,296	6,741	7,465	8,004
					Direct tax liabilities and saving				
					24. Payments of direct taxes on:				
					(*a*) Income (*28a*)	364	1,264	1,173	1,278
					(*b*) Capital (*29*)	78	144	164	214
					25. Additions to tax reserves (*42a*)	5	—115	60	90
					26. Net saving (*41a*).....	143	678	165	6
21. Total	4,886	8,712	9,027	9,592	27. Total	4,886	8,712	9,027	9,592

Source: (1) cited on page 167.

TABLE 4

Revenue Account of Government

(millions of pounds)

	RECEIPTS	*1938*	*1946*	*1947*	*1948*
	Transfers				
28.	Direct taxes on income paid by:				
	(*a*) Persons (24*a*)	364	1,264	1,173	1,278
	(*b*) Companies (14*a*) ..	77	545	450	505
29.	Direct taxes on capital (24*b*)	78	144	164	214
30.	Indirect taxes collected from:				
	(*a*) Persons (22*b*)	2	1	2	4
	(*b*) Enterprises (5) ...	672	1,624	1,887	2,142
	(*c*) Public authorities (34)	3	18	14	19
		1,196	3,596	3,690	4,162
	Income from property				
31.	Income from property:				
	(*a*) Income received ...	56	81	89	136
	(*b*) Less debt interest..	289	589	605	600
32.	Total	963	3,088	3,174	3,698

	EXPENDITURES	*1938*	*1946*	*1947*	*1948*
	Expenditure on goods and services				
33.	Purchases from:				
	(*a*) Enterprises (1*b*) ..	302	773	685	715
	(*b*) Abroad (49*b*)	12	486	309	154
34.	Employers' insurance contributions (30*c*)	3	18	14	19
35.	Provision for depreciation (43*b*)	90	100	105	110
36.	Wages and salaries (17*b*)	328	1,094	956	916
		735	2,471	2,069	1,914
	Transfers				
37.	Subsidies to trading account (2)	36	337	434	515
38.	Transfers to:				
	(*a*) Revenue account of persons (20)	270	878	706	663
	(*b*) Private capital account (44)	—	298	306	179
	Saving				
39.	Surplus on current account (41*d*)	—78	—896	—341	427
40.	Total	963	3,088	3,174	3,698

Source: (1) cited on page 167.

TABLE 5

Combined Capital Account

(millions of pounds)

	RECEIPTS	*1938*	*1946*	*1947*	*1948*		*EXPENDITURES*	*1938*	*1946*	*1947*	*1948*
41.	Net saving by:					46.	Purchases of goods and services (gross capital formation at home) (1*c*):				
	(*a*) Persons (26)	143	678	165	6		(*a*) Enterprises	597	985	1,631	1,923
	(*b*) Companies (15*a*) ..	170	285	425	545		(*b*) Public authorities ..	173	300	409	429
	(*c*) Public enterprises (15*b*)	—	—	—20	—5	47.	Net lending abroad and purchase of assets and financial claims from overseas (54)	—70	—380	—630	—120
	(*d*) Public authorities (39)	—78	—896	—341	427						
42.	Additions to tax reserves by:										
	(*a*) Persons (25)	5	—115	60	90						
	(*b*) Companies (14*b*) ..	10	—45	65	165						
43.	Provision for depreciation by:										
	(*a*) Enterprises (6) ...	360	600	645	715						
	(*b*) Public authorities (35)	90	100	105	110						
44.	Transfers from public authorities (38*b*)	—	298	306	179						
45.	Total	700	905	1,410	2,232	48.	Total	700	905	1,410	2,232

Source: (1) cited on page 167.

TABLE 6

Rest of the World Account

(millions of pounds)

	RECEIPTS	*1938*	*1946*	*1947*	*1948*		*EXPENDITURES*	*1938*	*1946*	*1947*	*1948*
49.	Sales to the United Kingdom:					52.	Purchases from enterprises in the United Kingdom (1*d*)	733	1,387	1,494	2,029
	(*a*) Enterprises (4) ...	925	1,216	1,723	1,938	53.	Dividends, interest and rent paid to the United Kingdom	205	153	153	162
	(*b*) Public authorities (33*b*)	12	486	309	154	54.	Net lending to the United Kingdom (47)	70	380	630	120
	(*c*) Persons (23)	34	121	125	97						
50.	Dividends, interest and rent received from the United Kingdom	37	97	120	122						
51.	Total	1,008	1,920	2,277	2,311	55.	Total	1,008	1,920	2,277	2,311

Source: (1) cited on page 167.

TABLE 7

National Income at Factor Cost

(millions of pounds)

	1938	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
1. Wages	1,735	1,835	2,108	2,404	2,660	2,805	2,840	2,780	3,095	3,530	3,975
2. Salaries	1,110	1,150	1,215	1,340	1,370	1,420	1,465	1,530	1,630	1,750	1,850
3. Pay and allowances of the Armed Forces	78	124	386	622	840	1,037	1,175	1,221	524	346	246
4. Rent	395	388	386	385	384	384	385	394	422	425	430
5. Professional earnings	84								134	147	161
6. Income from farming	60								190	203	248
7. Profits of other unincorporated enterprises	440	1,540	1,885	2,190	2,410	2,525	2,445	2,430	815	880	970
8. Corporate profits	543								1,219	1,393	1,639
9. Profits of public enterprises	27								26	18	116
10. Net income from abroad	168								56	33	40
11. NATIONAL INCOME AT FACTOR COST	4,640	5,037	5,980	6,941	7,664	8,171	8,310	8,355	8,111	8,725	9,675

Sources: (1) (2) and (3) cited on page 167.

TABLE 8

Gross National Expenditure at Market Prices and Factor Cost

(millions of pounds)

	1938	*1946*	*1947*	*1948*
1. Personal expenditure on consumer goods and services	4,296	6,741	7,465	8,004
(*a*) Purchases from enterprises (*22c*)	4,139	6,554	7,265	7,829
(*b*) Purchases of personal services (*22a* and *22b*)	123	66	75	78
(*c*) Expenditure abroad (*23*)	34	121	125	97
2. Government current expenditure on goods and services	735	2,471	2,069	1,914
(*a*) Purchases from enterprises (*33a*)	302	773	685	715
(*b*) Provision for maintenance (*35*)	90	100	105	110
(*c*) Purchases of personal services (*36*)				
Civil	252	577	617	682
Military	79	535	353	253
(*d*) Expenditure abroad (*33b*)	12	486	309	154
3. Gross domestic capital formation (*46*)	770	1,285	2,040	2,352
(*a*) Fixed capital formation	820	1,550	1,800	1,990
(*b*) Increase in value of stocks, work in progress and surplus stores transferred to private inventories	—	—78	376	494
(*c*) Less sales of surplus stores by Government (including amounts exported and consumed)	—	—287	—236	—257
(*d*) Increase in value of exports shipped but not paid for, etc.	—	100	100	125
4. Exports of goods and services (*52*)	733	1,387	1,494	2,029
(*a*) Merchandise	533	849	1,083	1,512
(*b*) Government surpluses, etc.	—	281	165	90

TABLE 8 *(Continued)*

Gross National Expenditure at Market Prices and Factor Cost

(millions of pounds)

	1938	*1946*	*1947*	*1948*
(*c*) Shipping services	100	162	205	250
(*d*) Tourism	28	12	21	35
(*e*) Other services (net)	72	83	20	142
5. Less imports of goods and services (49)	971	1,823	2,157	2,189
(*a*) Merchandise	835	1,057	1,524	1,730
(*b*) Business travel	10	14	18	18
(*c*) Shipping services	80	145	181	190
(*d*) Personal expenditure abroad	34	121	125	97
(*e*) Direct government expenditure abroad	12	486	309	154
6. Net income from abroad (53—50)	168	56	33	40
7. GROSS NATIONAL EXPENDITURE AT MARKET PRICES	5,731	10,117	10,944	12,150
8. Subsidies (37)	36	337	434	515
9. Less indirect taxes (30)	677	1,643	1,903	2,165
10. GROSS NATIONAL EXPENDITURE AT FACTOR COST	5,090	8,811	9,475	10,500

Source: (1) cited on page 167.

TABLE 9

Personal Expenditure on Consumer Goods and Services

(millions of pounds)

	1938	*1946*	*1947*	*1948*
1. Food				
(*a*) Household expenditure				
Bread and cereals	162	285	326	350
Meat and bacon	327	323	317	301
Fish	54	84	89	90
Oils and fats	78	62	61	70
Sugar, preserves and confectionery	107	118	157	189
Dairy products	179	257	259	316
Fruit	85	90	162	175
Potatoes and vegetables	99	184	247	260
Beverages	62	85	93	101
Other manufactured food	36	77	82	76
Total	1,189	1,565	1,793	1,928
(*b*) Other personal expenditure	108	201	240	253
Total food	1,297	1,766	2,033	2,181
2. Alcoholic beverages				
(*a*) Beer	195	510	481	525
(*b*) Other	90	168	197	237
3. Tobacco				
(*a*) Cigarettes	144	511	582	641
(*b*) Other	33	92	108	131
4. Rent, rates and water charges	491	550	579	598

TABLE 9 *(Continued)*

Personal Expenditure on Consumer Goods and Services

(millions of pounds)

	1938	*1946*	*1947*	*1948*
5. Fuel and light				
(*a*) Coal	108	120	127	141
(*b*) Electricity	35	65	69	84
(*c*) Gas	38	75	81	91
(*d*) Other	16	31	33	33
6. Durable household goods				
(*a*) Furniture and furnishings	152	176	243	285
(*b*) Hardware	82	125	150	150
7. Other household goods				
(*a*) Matches	10	11	13	14
(*b*) Soap	30	28	37	41
(*c*) Other	14	21	22	25
8. Clothing				
(*a*) Footwear	73	108	131	168
(*b*) Other clothing				
(i) Men's and boys' wear	127	157	184	225
(ii) Women's, girls' and infants' wear	246	346	389	460
9. Books, newspapers and magazines				
(*a*) Books	10	28	31	34
(*b*) Newspapers	36	51	58	60
(*c*) Magazines	18	26	30	33
10. Private motoring	127	103	112	81
11. Travel				
(*a*) Railway	55	104	101	107
(*b*) Other	108	166	196	215
12. Communication services				
(*a*) Postal	18	32	32	32
(*b*) Telephone and telegraph	11	22	24	25
13. Entertainments				
(*a*) Cinemas	64	121	108	112
(*b*) Other		62	66	68
14. Other services	483	637	711	712
15. Other goods	177	309	373	392
16. Income in kind of the Armed Forces	17	111	60	41
17. Less foreign tourists' expenditure in the United Kingdom	43	12	21	35
18. Personal expenditure in the United Kingdom	4,262	6,620	7,340	7,907
19. Personal expenditure abroad	34	121	125	97
20. Total	4,296	6,741	7,465	8,004

Source: (1) cited on page 167.

NOTES TO TABLES

TABLE 1

Item

2. Includes certain trading losses of the Ministry of Food, the Board of Trade and the Ministry of Supply, as well as acreage payments, subsidies to agriculture, subsidies on fertilizers, molasses and fuel, subsidies to civil aviation corporations and to manufacturers of utility cotton and wool cloth, housing subsidies, etc.

5. Includes employers' national insurance contributions and taxes estimated to fall on exports, as well as customs and excise duties on drink, tobacco, etc., purchase tax, entertainments duty, Post Office surplus, motor vehicle and stamp duties, betting tax, local rates and central government contributions in lieu of rates, etc.

7. (*a*) Includes an allowance for income in kind of domestic servants, farm workers and miners. Employers' national insurance contributions are excluded.

(*b*) Professional earnings, farmers' profits and the trading profits of other sole traders and partnerships.

(*c*) Owner-occupied premises are treated on the same basis as rented premises. This item and the few others which are not cross-referenced are related as follows: items 7 (*c*) + 12 + 13 (*a*) + 13 (*b*) + 31 (*b*) + 53 = items 10 + 19 + 31 (*a*) + 50.

(*d*) Includes the trading profits of companies and mutual societies other than those treated as income from abroad, together with the surpluses, before deduction of interest or dividends on sales, of co-operative societies and public boards such as the Port of London Authority. Profits are reckoned after deduction of tax-free wear and tear allowances, but before deduction of profits tax or excess profits tax. The profits of companies in the oil, shipping and insurance industries are included here even if earned abroad, but the profits of other companies operating abroad are here excluded (see item 10 below).

(*e*) Operating surpluses or deficits, before deduction of interest or payments of interim income, of the trading undertakings of local authorities and the State (Board of Trade trading branches) and of the nationalized industries (coal, transport, electricity, civil aviation, cable and wireless, Bank of England), plus the income accruing to the government under the Railway Agreement before nationalization, plus income tax paid by non-residents, less the loss made by the Exchequer in 1946 as a result of illicit trading by British troops and other Government employees abroad.

TABLE 2

Item

9. (*a*) See note to item 7 (*d*) of table 1.

(*b*) See note to item 7 (*e*) of table 1.

10. Receipts (including receipts by banks) of public debt interest, net rents, interest and dividends from abroad and the profits of British companies (other than those engaged in the insurance, shipping and oil industries) operating abroad. Companies' receipts of dividends and interest from other companies are excluded from this item.

12. The profits or losses transferred by public enterprises to public authorities, the trading profits of local authorities, the annuity paid to the Exchequer by the Bank of England, the dividends on shares in Cable and Wireless paid to the Exchequer, the interest carried as a national charge in the commercial accounts of government trading branches, the loss under the Railway Agreement (before nationalization) borne on the Ministry of Transport's Vote and the loss incurred by the Exchequer in 1946 as a result of illicit trading operations abroad by members of the Armed Forces and other government employees.

13. (*a*) Payments (before deduction of income tax) of company dividends, debenture interest, dividends on sales and deposit interest to persons (including sole traders and partnerships), public authorities or non-residents.

(*b*) Payments of interest on stock and, in the case of the National Coal Board, of interim income.

15. (*a*) The amount retained by companies after payment of dividends and interest and after full provision for tax on current earnings. This is equal to the amount available for re-investment, plus any difference, positive or negative, between dividends declared in the year and net dividends actually paid.

(*b*) Equals items 9 (*b*) −12 −13 (*b*).

TABLE 3

Item

17. (*a*) See note to item 7 (*a*) of table 1.

(*b*) Wages and salaries of civil servants and local government employees other than those debited against trading account (e.g., the payroll of the Ministry of Food) plus pay and allowances of the Armed Forces and auxiliary services.

(*c*) Wages in cash and kind of domestic servants paid out of personal income.

18. See note to item 7 (*b*) of table 1.

19. This item consists of net rents of property owned by persons (part of item 7 (*c*) of table 1), dividends and interest paid by companies and public enterprises to persons (part of items 13 (*a*) and 13 (*b*)), public debt interest paid to persons (part of item 31 (*b*) of table 4), and income from abroad received by persons (part of item 53 of table 6). Charities and life assurance funds are here treated as persons.

20. Social security benefits and miscellaneous transfers such as war pensions and gratuities, and post-war tax credits.

21. Personal income.

22. (*a*) See note to item 17 (*c*) of table 3.

(*b*) In respect of domestic servants.

23. Expenditure abroad by British tourists and by members of the Armed Forces and other government employees. Expenditure financed out of business expense accounts is excluded since it enters into the cost of other goods and services.

24. (*b*) Death duties, special contributions and war damage premiums.

26. Residual item obtained by subtracting items 22 to 25 from item 21.

Table 4

Item

29. See note to item 24 (*b*) of table 3.

30. See notes to items 22 (*b*) of table 3 and 5 of table 1.

31. (*a*) This item is made up of amounts transferred from public enterprises (item 12 of table 2), direct taxes paid by non-residents and receipts of dividends, interest and rent (including national debt interest paid to the national insurance funds and debt interest paid by local authorities to the central government).

    (*b*) Total national debt interest, including the increase in interest accrued on National Savings Certificates, plus total interest on local authorities' debt.

35. Provision for maintenance of buildings, highways and bridges, plus annuities under the Housing Act of 1944.

Item

36. See note to item 17 (*b*) of table 3.

37. See note to item (2) of table 1.

38. (*a*) See note to item 20 of table 3.

    (*b*) Payments in respect of war damage claims, post-war refunds of Excess Profits Tax and payments of compensation to doctors and dentists.

39. The figures shown here are not the conventional budgetary surplus or deficit figures since revenue and expenditure have been adjusted to conform with the basic definitions implicit in the National Accounts. The figures shown embrace the surpluses or deficits on current account of the central government, the national insurance funds, and local authorities.

Table 5

Item

41. (*a*) See note to item 26 of table 3.

    (*b*) See note to item 15 (*a*) of table 2.

    (*c*) See note to item 15 (*b*) of table 2.

    (*d*) See note to item 39 of table 4.

42. (*b*) See note to item 35 of table 4.

44. See note to item 38 (*b*) of table 4.

46. (*a*) Includes public enterprises.

    (*b*) Road Fund expenditure on improvements and new construction and expenditure on the manufacture of prefabricated houses, plus expenditure on maintenance of roads, buildings, bridges, etc. Items (*a*) plus (*b*) equal item 1 (*c*) of table 1.

Item

47. Equal to the surplus (or deficit) of the balance of payments on current account. The figures shown here correspond to the figures published in the White Paper on Balance of Payments (Cmd. 7648), and are essentially on a cash rather than accrual basis, i.e. account is taken of payments of cash for imports rather than arrivals in the United Kingdom, and receipts of cash for exports as distinct from shipments abroad. Thus the figures do not fully reflect increases during the years 1946 to 1948, all years of expanding exports. Imports under Lend-Lease and the European Recovery Program are treated in the same way as all other imports. Since grants under the European Recovery Program and similar gifts are not repayable the extent to which the United Kingdom ran down its foreign assets during 1948 is here somewhat exaggerated.

48. Gross capital formation at home and abroad.

Table 6

Item

49. (*b*) Government expenditure abroad other than on pay of employees.

    (*c*) See note to item 23 of table 3.

50. Includes film royalties.

52. Exports of merchandise, government surpluses and services.

Item

53. Excludes profits of shipping, insurance and oil companies operating abroad (see note to item 7 (*d*) of table 1).

54. See note to item 47 of table 5.

Table 7

Item

1. Refers to earnings of manual workers (more specifically, all employees other than administrative, technical and clerical staff). Figures include an allowance for income in kind.

2. Includes the whole of the earnings of shop assistants, company directors' fees and, in principle, untaxed allowances.

3. This item comprises: (*a*) pay and cash allowances of, and the cost of issues of food and clothing to, members of the Armed Forces and auxiliary services, other than those on release leave; (*b*) pensions and retired pay of former members of the Armed Forces other than pensions awarded for death or disability attributable to war service.

4. Includes rental value of owner-occupied premises.

5. Excludes all the profits of business consisting wholly or mainly in the making of contracts on behalf of others or in the giving of commercial advice relating to contracts (e.g., the business of brokers and estate agents).

TABLE 7 *(Continued)*

Item

6. Consists of the income from agriculture, horticulture and direct retailing of farmers with holdings of one acre or more, and represents the reward of the manual and managerial labour of farmers and their wives and the return on their capital. Income from land ownership is here excluded and forms part of item 4 above.
7. Refers to profits of sole traders and partnerships other than those classified in items 5 and 6.
8. Excludes such income as is classified in item 10 below. Includes the surpluses, before deduction of interest or dividends on sales, of co-operative societies and public boards such as the Port of London Authority. Profits are reckoned after deduction of tax-free wear and tear allowances but before deduction of profits or excess profits taxes. The profits of companies in the oil, shipping and insurance industries are included here, whether earned in the United Kingdom or abroad; the profits of other companies operating abroad are excluded and form part of item 10 below.
9. See note to item 12 of table 2.
10. Net dividends, interest, rent and profits received from abroad. See items 50 and 53 of table 6.

TABLE 8

Item

1. Includes the money value of income in kind.
2. This item purports to measure the value of the work currently performed on government account. Therefore, expenditures which do not arise from a direct demand for goods and services are excluded (e.g. transfer payments). Interest payments on the national debt and on the non-productive debt of local authorities are also excluded. See notes to the constituent items for further details.
3. Composed of total expenditure on fixed capital and its upkeep (i.e., new additions and replacements), expenditure on repairs (including war damage repairs) to buildings, highways and bridges, and the change in the value of stocks and work in progress. Because of the conventions adopted in estimating item 4 below (exports), the present item includes outlay on certain items that would perhaps more properly be treated as contributing to external investment. Examples are net increases in the value of exports already shipped for which cash has not yet been paid and net additions to the overseas equipment of British oil companies. A rough estimate of the total of these items is shown in item 3 (*d*). Item 3 (*b*) is a residual obtained by subtracting the identifiable parts of gross investment (items 3 (*a*), 3 (*c*), 3 (*d*)) from the total, itself a residual obtained by subtracting estimates of other forms of national expenditure from the sum of national income and provision for depreciation.
6. See notes to items 50 and 53 of table 6.
8. See note to item 2 of table 1.
9. See notes to items 22 (*b*) of table 3 and 5 of table 1.

TABLE 9

Item

1-20. All items relate to expenditure out of personal income, i.e. the income of individuals and non-profit-making bodies. The estimates for groups 1 to 15 include purchases by visitors to the United Kingdom. The total of these foreign purchases is deducted in item 17 (and regarded as exports in national expenditure—see item 4 (*d*) of Table 8; the discrepancy for 1938 between item 17 here and 4 (*d*) of Table 8 results from the inclusion of net remittances received in item 17 in this year only). Expenditure on restaurant and hotel meals is spread over items 1 (food), 4 (rent), 6 (durable household goods), and 14 (other services). Item 14 includes an allowance for the costs, including profit, of handling and reconditioning second-hand goods. Item 20 corresponds to item 1 of Table 8.

UNITED STATES OF AMERICA

Sources

(1) *National Income and Product Statistics of the United States, 1929-1946,* Supplement to Survey of Current Business, U.S. Department of Commerce, July 1947.

(2) *National Income and Product Statistics of the United States, 1942-1948,* Survey of Current Business, U.S. Department of Commerce, July 1949.

The National Accounts

National accounts for the United States have been published by the Department of Commerce for the years 1939, 1947 and 1948, but the accounts for 1939 and 1947 as published are now obsolete as a result of revisions incorporated in source (2). It is possible, however, to construct the accounts for the years preceding 1948 from sources (1) and (2), since together they

contain all the basic statistical series from 1929 on required for this purpose. This has been done here for the period starting with 1938, and consequently the first six tables presenting the national accounts contain the entries for all the years 1938 to 1948 inclusive.

As in the case of the majority of countries now publishing national accounts, the economy of the United States has been divided into four sectors—business, government, persons, and foreign account—for each of which a current account is presented. In addition, a capital account for the economy as a whole is provided.

The account for the business sector (table 1) is a consolidated statement of current business operations covering the transactions of all private enterprises organized for profit, including farm operators, independent professional practitioners, and lessors of real property, as well as mutual financial institutions, producers' co-operatives, non-profit organizations serving business, owner-occupied dwellings, and government enterprises with respect to their purchases and sales on current account. Because all transactions have been consolidated, i.e., all intra-business transactions on current account have been netted out, sales are shown net of current purchases of goods and services from other businesses, and dividends and interest originating in the sector are shown net of interest and dividends received. Consolidated net sales to government include sales to government enterprises on capital account, i.e., investment by government enterprises has been combined with general government purchases and not with domestic investment by private business. It should be noted that the current surplus of government enterprises is not treated in the same manner as private profits, and enters neither into income originating in the sector nor into national income at factor cost. Instead, the operating surplus of public enterprises is used to reduce subsidies in deriving net national product at market prices from national income at factor cost, so that the surplus is, in effect, regarded as an indirect tax.

The revenue account of government (table 2) shows essentially the consolidated general governmental operations of Federal, State and local government, inclusive of social insurance funds, and also incorporates the purchases of government enterprises on capital account, and net interest payments and operating surplus or deficit of such enterprises. Net interest paid by government, including that originating in government enterprises, is not included in national income or product. The figures for deficit or surplus relate to receipts and expenditures of both general government and government enterprises.

The net transactions on current account of the rest of the world with domestic business, persons, and government are shown in table 3. The rest of the world covers foreign countries, territories and possessions of the United States, international government organizations and the United States monetary gold stock (United States production of gold for monetary and export purposes is regarded as a component of net foreign investment). Net purchases from the United States exclude unilateral transfers in kind which do not give rise to international claims (non-reimbursable lend-lease, UNRRA shipments, exports financed under ERP, etc.), but include unilateral cash transfers (which offset corresponding entries in personal consumption expenditures and government purchases of goods and services). The figures for net disinvestment by the rest of the world in the United States are substantially the same as those for the balance of payments on current account published in the regular balance of payments statement, differences being due to the fact that the national accounts treat the United States exclusive of territories and possessions.

The revenue account of persons (table 4) refers mainly to consumers in their capacity as income receivers and buyers of consumption goods, but also to non-profit institutions serving individuals, private trust funds, and private pension and welfare funds. In the consolidation of the accounts of persons, all gifts and other transfers among persons cancel out. The receipts side of the account shows the current income in money or in kind from all sources, inclusive of transfers from government and business, of persons, non-profit institutions, etc. Personal interest income shown on this side includes imputed interest to cover the value of financial services received by persons without explicit payment and property income withheld by life insurance companies and

mutual financial intermediaries on the account of persons. The other side of the account shows the disposition of this combined income on purchases, tax payments, and, as a balancing item, personal saving inclusive of the net investment in unincorporated enterprises.

The combined capital account for the economy (table 5) brings together all sources of private gross saving and shows how such saving has been used to finance gross private domestic investment, net foreign investment, and the government deficit. It should be noted that the account segregates only those capital items identified as such in the national income framework adopted. Thus, government capital outlays have not been classed as investment but are combined with government current expenditures, and consumer durables are treated as current expenditures rather than as capital investment.

The summary national income and product account (table 6) is derived from the five accounts described. All the entries in this account are explained in the notes to the table. The account refers to the income and product attributable to factors of production supplied by residents of the continental United States.

The Income Aggregates and Related Series

National income by industrial origin is shown in table 7. Government enterprises have been classified with general government and not with the relevant industry sectors. The figures for income originating in the rest of the world differ from those shown in the account for the rest of the world (table 3) because profits accruing to domestic corporations from foreign branches have been included in table 7 in the industry of the recipient corporation and not in income from abroad.

Table 8 shows the relation of gross and net national product, national income and personal income, and at the same time indicates to some extent the conceptual content of each of these aggregates.[1]

Table 9 presents personal consumption expenditures classified by kind of product purchased. In addition, total personal consumption expenditures are divided into the categories — durable commodities, non-durable commodities and services. Net cash remittances sent abroad are included among consumption expenditures and offset corresponding entries in the computation of net foreign investment. Breakdowns of new construction activity, producers' durable equipment (data for the years after 1945 are not available), and the net change in business inventories are shown in tables 10, 11 and 12, respectively.[2]

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[1] The U.S. Department of Commerce uses the terms "national income" and "net national product" in its publications to designate the current product of the economy at factor cost and at market prices, respectively. Similarly, "gross national product or expenditure" is always understood to be at market prices. As this is, of course, not the custom in all countries, the basis of valuation, i.e., factor cost or market prices, has been added wherever appropriate in table 8 and elsewhere so as to avoid any possible ambiguity.

[2] It is, of course, not possible to present and explain in these pages the vast array of annual, quarterly and monthly series relating to national income and product published by the Department of Commerce. The material of this section has been confined to a presentation of the main income and product totals and components. The national accounts have been emphasized both because many questions relating to definitions and concepts may be answered by reference to them, and because the accounts were not carried in the preceding issue of *National Income Statistics of Various Countries*. For a concise summary of the definition of national income, the reader may find it useful to consult the last issue in this series.

TABLE 1

Revenue Account of Business Enterprises

(millions of dollars)

EXPENDITURES	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
1. Compensation of employees											
(*a*) Wages and salaries											
(i) Disbursements	33,385	36,250	39,773	50,168	64,192	76,884	81,554	79,752	88,284	101,969	113,295
(ii) Excess of accruals over disbursements	—	—	—	—	—	209	—193	14	—30	15	30
(*b*) Supplements											
(i) Employer contributions for social insurance	1,223	1,330	1,404	1,747	2,014	2,335	2,314	2,129	2,134	2,481	2,406
(ii) Other labour income	421	431	466	527	654	825	1,193	1,386	1,475	1,607	1,717
2. Income of unincorporated enterprises and inventory valuation adjustment	10,768	11,282	12,660	16,504	23,041	26,731	28,997	31,247	35,035	38,531	42,848
3. Rental income of persons	3,278	3,465	3,620	4,322	5,395	6,109	6,495	6,256	6,215	6,544	6,648
4. Corporate profits before tax and inventory valuation adjustment											
(*a*) Corporate profits before tax											
(i) Corporate profits tax liability	1,040	1,462	2,878	7,846	11,665	14,406	13,525	11,215	9,620	12,511	13,619
(ii) Corporate profits after tax											
(1) Dividends	2,978	3,659	3,900	4,356	4,190	4,356	4,577	4,624	5,670	6,781	7,669
(2) Undistributed profits	—936	1,162	2,313	4,799	5,018	6,052	5,938	3,650	7,833	11,671	12,748
(*b*) Inventory valuation adjustment	963	—714	—148	—2,617	—1,204	—773	—287	—564	—5,229	—5,987	—2,170
5. Net interest	3,384	3,284	3,102	3,004	3,004	2,669	2,477	2,317	2,095	2,267	2,442
6. Sub-total (income originating)	56,504	61,611	69,968	90,656	117,969	139,803	146,590	142,026	153,102	178,390	201,252
7. Indirect business tax and non-tax liability	9,154	9,365	10,021	11,296	11,769	12,735	14,127	15,522	17,346	18,679	20,307
8. Business transfer payments	429	451	431	502	495	505	506	532	557	582	606
9. Statistical discrepancy	—91	1,375	1,624	1,593	2,337	915	4,035	4,890	4,154	984	—302
10. Less subsidies minus current surplus of government enterprises	176	485	420	102	150	183	705	835	930	—63	85
11. Charges against net product	65,820	72,317	81,624	103,945	132,420	153,775	164,553	162,135	174,229	198,698	221,778
12. Capital consumption allowances	7,808	7,914	8,250	9,102	9,786	10,483	11,687	12,207	11,716	13,469	15,489
13. Total (charges against business gross product)	73,628	80,231	89,874	113,047	142,206	164,258	176,240	174,342	185,945	212,167	237,267

TABLE 1 *(Continued)*

Revenue Account of Business Enterprises

(millions of dollars)

RECEIPTS	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
14. Consolidated net sales											
(*a*) To consumers	60,967	63,816	68,275	78,271	87,023	97,696	106,138	117,095	141,857	160,250	171,291
(*b*) To government	5,036	5,375	6,032	14,960	43,252	61,343	62,810	45,983	10,665	12,064	17,152
(*c*) To business on capital account	7,284	9,476	11,674	14,460	8,808	6,631	8,523	11,479	22,744	31,019	38,553
(*d*) To abroad	1,314	1,123	1,618	1,482	1,058	—490	—422	531	3,968	8,763	3,816
15. Change in inventories	—973	441	2,275	3,874	2,065	—922	—809	—746	6,711	71	6,455
16. Total (business gross product)	73,628	80,231	89,874	113,047	142,206	164,258	176,240	174,342	185,945	212,167	237,267

Sources: Based on (1) and (2) cited on page 178.

TABLE 2

Revenue Account of Government

(millions of dollars)

EXPENDITURES	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
17. Purchases of goods and services											
(*a*) Purchases of direct services											
(i) Wages and salaries	7,387	7,343	7,516	9,145	14,970	25,504	32,091	34,106	19,114	15,654	17,008
(ii) Supplements											
(1) Employer contributions for social insurance	189	199	210	225	277	329	609	1,663	1,835	1,041	572
(2) Other labour income	74	87	91	44	32	43	88	141	107	160	243
(iii) Sub-total (income originating and net and gross product)	7,650	7,629	7,817	9,414	15,279	25,876	32,788	35,910	21,056	16,855	17,823
(*b*) Net purchases from business	5,036	5,375	6,032	14,960	43,252	61,343	62,810	45,983	10,665	12,064	17,152
(*c*) Net purchases from abroad	64	64	84	330	1,193	1,411	925	943	—993	—150	1,762
18. Transfer payments	2,405	2,512	2,688	2,617	2,655	2,466	3,091	5,647	10,849	11,195	10,508
19. Net interest paid	1,192	1,205	1,291	1,289	1,517	2,140	2,803	3,663	4,431	4,371	4,443
20. Subsidies minus current surplus of government enterprises	176	485	420	102	150	183	705	835	930	—63	85
21. Total (government expenditures)	16,523	17,270	18,332	28,712	64,046	93,419	103,122	92,981	46,938	44,182	51,773

RECEIPTS	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
22. Personal tax and non-tax receipts	2,862	2,440	2,604	3,293	5,981	17,845	18,935	20,867	18,814	21,514	21,107
23. Corporate profits tax accruals	1,040	1,462	2,878	7,846	11,665	14,406	13,525	11,215	9,620	12,511	13,619
24. Indirect business tax and non-tax accruals	9,154	9,365	10,021	11,296	11,769	12,735	14,127	15,522	17,346	18,679	20,307
25. Contributions for social insurance											
(*a*) Employee contributions	554	596	658	801	1,166	1,839	2,236	2,333	2,012	2,108	2,145
(*b*) Employer contributions											
(i) Business	1,223	1,330	1,404	1,747	2,014	2,335	2,314	2,129	2,134	2,481	2,406
(ii) Government	189	199	210	225	277	329	609	1,663	1,835	1,041	572
(iii) Households and institutions	11	11	10	11	11	13	14	13	17	17	17
26. Deficit (+) or surplus (—) on income and product transactions	1,490	1,867	547	3,493	31,163	43,917	51,362	39,239	—4,840	—14,169	—8,400
27. Total (government receipts and deficit)	16,523	17,270	18,332	28,712	64,046	93,419	103,122	92,981	46,938	44,182	51,773

Sources: Based on (1) and (2) cited on page 178.

TABLE 3

Rest of the World Account

(millions of dollars)

EXPENDITURES (Net)	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
28. Net payments of factor income to the United States											
(*a*) Wages and salaries	1	2	3	6	10	14	12	11	7	15	16
(*b*) Interest	138	127	120	126	130	115	118	130	167	208	215
(*c*) Dividends	217	137	149	109	107	137	103	75	138	237	263
(*d*) Branch profits	30	47	85	122	118	101	190	153	299	402	494
(*e*) Sub-total (income originating and net and gross product)	386	313	357	363	365	367	423	369	611	862	988
29. Net purchases from the United States											
(*a*) From business	1,314	1,123	1,618	1,482	1,058	—490	—422	531	3,968	8,763	3,816
(*b*) From government	—64	—64	—84	—330	—1,193	—1,411	—925	—943	993	150	—1,762
(*c*) From persons	—527	—484	—382	—391	—437	—711	—1,175	—1,395	—900	—877	—1,141
30. Total (net current payments to the United States)	1,109	888	1,509	1,124	—207	—2,245	—2,099	—1,438	4,672	8,898	1,901
Balance											
31. Net disinvestment in the United States	1,109	888	1,509	1,124	—207	—2,245	—2,099	—1,438	4,672	8,898	1,901
32. Total (net disinvestment in the United States)	1,109	888	1,509	1,124	—207	—2,245	—2,099	—1,438	4,672	8,898	1,901

Sources: Based on (1) and (2) cited on page 178.

TABLE 4

Revenue Account of Persons

(millions of dollars)

EXPENDITURES	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
33. Personal consumption expenditures											
(*a*) Purchases of direct services											
(i) Compensation of employees											
(1) Wages and salaries paid	2,039	2,150	2,295	2,389	2,715	3,036	3,460	3,790	4,047	4,623	4,934
(2) Supplements paid											
Employer contributions for social insurance	11	11	10	11	11	13	14	13	17	17	17
Other labour income	17	17	18	18	20	20	21	21	21	23	23
(ii) Interest paid	768	801	882	983	760	571	542	562	708	939	1,167
(iii) Sub-total (income originating in and net product of households and institutions)	2,835	2,979	3,205	3,401	3,506	3,640	4,037	4,386	4,793	5,602	6,141
(iv) Institutional depreciation	184	187	190	192	195	197	200	203	208	211	215
(v) Gross product of households and institutions	3,019	3,166	3,395	3,593	3,701	3,837	4,237	4,589	5,001	5,813	6,356
(*b*) Net purchases from business	60,967	63,816	68,275	78,271	87,023	97,696	106,138	117,095	141,857	160,250	171,291
(*c*) Net purchases from abroad	527	484	382	391	437	711	1,175	1,395	900	877	1,141
34. Personal tax and non-tax payments	2,862	2,440	2,604	3,293	5,981	17,845	18,935	20,867	18,814	21,514	21,107
35. Personal saving	952	2,701	3,691	9,760	25,579	30,197	35,407	27,981	10,336	5,054	12,005
36. Total (personal outlay and saving)	68,327	72,607	78,347	95,308	122,721	150,286	165,892	171,927	176,908	193,508	211,900

UNITED STATES

TABLE 4 *(Continued)*

Revenue Account of Persons

(millions of dollars)

RECEIPTS	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
37. Wage and salary receipts											
(*a*) Disbursements by											
(i) Business	33,385	36,250	39,773	50,168	64,192	76,884	81,554	79,752	88,284	101,969	113,295
(ii) Government	7,387	7,343	7,516	9,145	14,970	25,504	32,091	34,106	19,114	15,654	17,008
(iii) Households and institutions	2,039	2,150	2,295	2,389	2,715	3,036	3,460	3,790	4,047	4,623	4,934
(iv) Rest of the world	1	2	3	6	10	14	12	11	7	15	16
(*b*) Less employee contributions for social insurance	554	596	658	801	1,166	1,839	2,236	2,333	2,012	2,108	2,145
38. Other labour income											
(*a*) Business	421	431	466	527	654	825	1,193	1,386	1,475	1,607	1,717
(*b*) Government	74	87	91	44	32	43	88	141	107	160	243
(*c*) Households and institutions	17	17	18	18	20	20	21	21	21	23	23
39. Income of unincorporated enterprises and inventory valuation adjustment	10,768	11,282	12,660	16,504	23,041	26,731	28,997	31,247	35,035	38,531	42,848
40. Rental income of persons	3,278	3,465	3,620	4,322	5,395	6,109	6,495	6,256	6,215	6,544	6,648
41. Dividends	3,195	3,796	4,049	4,465	4,297	4,493	4,680	4,699	5,808	7,018	7,932
42. Personal interest income	5,482	5,417	5,395	5,402	5,411	5,495	5,940	6,672	7,401	7,785	8,267
43. Government transfer payments	2,405	2,512	2,688	2,617	2,655	2,466	3,091	5,647	10,849	11,105	10,508
44. Business transfer payments	429	451	431	502	495	505	506	532	557	582	606
45. Total (personal income)	68,327	72,607	78,347	95,308	122,721	150,286	165,892	171,927	176,908	193,508	211,900

Sources: Based on (1) and (2) cited on page 178.

TABLE 5

Combined Capital Account

(millions of dollars)

EXPENDITURES	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
46. Business purchases on capital account	7,284	9,476	11,674	14,460	8,808	6,631	8,523	11,479	22,744	31,019	38,553
47. Change in business inventories	—973	441	2,275	3,874	2,065	—922	—809	—746	6,711	71	6,455
48. Net disinvestment in the United States by rest of world	1,109	888	1,509	1,124	—207	—2,245	—2,099	—1,438	4,672	8,898	1,901
49. Government deficit (+) or surplus (—) on income and product transactions	1,490	1,867	547	3,493	31,163	43,917	51,362	39,239	—4,840	—14,169	—8,400
50. Total (gross investment and government deficit)	8,910	12,672	16,005	22,951	41,829	47,381	56,977	48,534	29,287	25,819	38,509
RECEIPTS	*1938*	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
51. Excess of wage accruals over disbursements	—	—	—	—	—	209	—193	14	—30	15	30
52. Undistributed corporate profits (domestic)	—936	1,162	2,313	4,799	5,018	6,052	5,938	3,650	7,833	11,671	12,748
53. Corporate inventory valuation adjustment	963	—714	—148	—2,617	—1,204	—773	—287	—564	—5,229	—5,987	—2,170
54. Statistical discrepancy	—91	1,375	1,624	1,593	2,337	915	4,035	4,890	4,154	984	—302
55. Capital consumption allowances by private business	7,808	7,914	8,250	9,102	9,786	10,483	11,687	12,207	11,716	13,469	15,489
56. Foreign branch profits (net)	30	47	85	122	118	101	190	153	299	402	494
57. Institutional depreciation	184	187	190	192	195	197	200	203	208	211	215
58. Personal saving	952	2,701	3,691	9,760	25,579	30,197	35,407	27,981	10,336	5,054	12,005
59. Total (gross private saving)	8,910	12,672	16,005	22,951	41,829	47,381	56,977	48,534	29,287	25,819	38,509

Sources: Based on (1) and (2) cited on page 178.

TABLE 6

National Income and Product Account

(millions of dollars)

	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948
60. Compensation of employees											
(*a*) Wages and salaries	42,812	45,745	49,587	61,708	81,887	105,647	116,924	117,673	111,422	122,276	135,283
(*b*) Supplements	1,935	2,075	2,199	2,572	3,008	3,565	4,239	5,353	5,589	5,329	4,978
61. Income of unincorporated enterprises and inventory valuation adjustment	10,768	11,282	12,660	16,504	23,041	26,731	28,997	31,247	35,035	38,531	42,848
62. Rental income of persons	3,278	3,465	3,620	4,322	5,395	6,109	6,495	6,256	6,215	6,544	6,648
63. Corporate profits and inventory valuation adjustment											
(*a*) Corporate profits before tax											
(i) Corporate profits tax liability	1,040	1,462	2,878	7,846	11,665	14,406	13,525	11,215	9,620	12,511	13,619
(ii) Corporate profits after tax											
(1) Dividends	3,195	3,796	4,049	4,465	4,297	4,493	4,680	4,699	5,808	7,018	7,932
(2) Undistributed profits	—906	1,209	2,398	4,921	5,136	6,153	6,128	3,803	8,132	12,073	13,242
(*b*) Inventory valuation adjustment	963	—714	—148	—2,617	—1,204	—773	—287	—564	—5,229	—5,987	—2,170
64. Net interest	4,290	4,212	4,104	4,113	3,894	3,355	3,137	3,009	2,970	3,414	3,824
65. NATIONAL INCOME AT FACTOR COST	67,375	72,532	81,347	103,834	137,119	169,686	183,838	182,691	179,562	201,709	226,204
66. Indirect business tax and non-tax liability	9,154	9,365	10,021	11,296	11,769	12,735	14,127	15,522	17,346	18,679	20,307
67. Business transfer payments	429	451	431	502	495	505	506	532	557	582	606
68. Statistical discrepancy	—91	1,375	1,624	1,593	2,337	915	4,035	4,890	4,154	984	—302
69. Less subsidies minus current surplus of government enterprises	176	485	420	102	150	183	705	835	930	—63	85
70. Charges against net national product at market prices	76,691	83,238	93,003	117,123	151,570	183,658	201,801	202,800	200,689	222,017	246,730
71. Capital consumption allowances	7,992	8,101	8,440	9,294	9,981	10,680	11,887	12,410	11,924	13,680	15,704
72. TOTAL (CHARGES AGAINST GROSS NATIONAL PRODUCT AT MARKET PRICES)	84,683	91,339	101,443	126,417	161,551	194,338	213,688	215,210	212,613	235,697	262,434
73. Personal consumption expenditures	64,513	67,466	72,052	82,255	91,161	102,244	111,550	123,079	147,758	166,940	178,788
74. Gross private domestic investment	6,311	9,917	13,949	18,334	10,873	5,709	7,714	10,733	29,455	31,090	45,008
75. Net foreign investment	1,109	888	1,509	1,124	—207	—2,245	—2,099	—1,438	4,672	8,898	1,901
76. Government purchases of goods and services	12,750	13,068	13,933	24,704	59,724	88,630	96,523	82,836	30,728	28,769	36,737
77. TOTAL (GROSS NATIONAL PRODUCT OR EXPENDITURE AT MARKET PRICES)	84,683	91,339	101,443	126,417	161,551	194,338	213,688	215,210	212,613	235,697	262,434

Sources: Based on (1) and (2) cited on page 178.

TABLE 7

National Income by Industrial Origin

(millions of dollars)

	1938	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
1. Agriculture, forestry and fisheries	6,003	6,120	6,599	8,880	12,875	14,561	14,830	15,642	17,690	19,160	22,468
2. Mining	1,483	1,601	1,903	2,341	2,599	2,757	2,950	2,789	3,076	4,091	4,903
3. Contract construction	1,930	2,254	2,593	4,370	6,625	5,551	4,375	4,571	6,469	8,353	10,174
4. Manufacturing	14,997	17,936	22,368	32,897	45,239	58,104	60,456	51,918	48,950	60,886	68,217
5. Wholesale and retail trade	11,652	12,126	13,748	15,903	19,055	22,361	25,137	27,999	34,090	39,492	45,094
6. Finance, insurance and real estate	8,026	8,216	8,489	9,523	11,052	12,237	13,088	13,278	14,390	15,668	16,727
7. Transportation	3,961	4,543	4,915	6,188	8,462	10,672	11,197	10,495	10,199	11,133	12,194
8. Communications and public utilities	2,713	2,863	3,039	3,313	3,659	3,952	4,100	4,283	4,838	5,190	5,926
9. Services	7,728	8,080	8,637	9,709	10,870	11,993	13,268	14,135	16,675	18,544	20,039
10. Government and government enterprises	8,548	8,550	8,796	10,479	16,445	27,239	34,211	37,423	22,890	18,764	19,998
11. Rest of the world	334	243	260	231	238	259	226	158	295	428	464
12. NATIONAL INCOME AT FACTOR COST	67,375	72,532	81,347	103,834	137,119	169,686	183,838	182,691	179,562	201,709	226,204

Sources: (1) and (2) cited on page 178.

TABLE 8

Relation of Gross National Product, National Income, and Personal Income

(millions of dollars)

	1938	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
1. GROSS NATIONAL PRODUCT OR EXPENDITURE AT MARKET PRICES	84,683	91,339	101,443	126,417	161,551	194,338	213,688	215,210	212,613	235,697	262,434
2. Less											
(*a*) Capital consumption allowances	7,992	8,101	8,440	9,294	9,981	10,680	11,887	12,410	11,924	13,680	15,704
(i) Depreciation charges	6,894	7,082	7,228	7,878	8,712	9,504	10,584	10,885	9,606	10,905	12,443
(ii) Accidental damage to fixed capital	387	222	246	273	484	399	360	381	408	575	593
(iii) Capital outlays charged to current expense	711	797	966	1,143	785	777	943	1,144	1,910	2,200	2,668
3. Equals: NET NATIONAL PRODUCT AT MARKET PRICES	76,691	83,238	93,003	117,123	151,570	183,658	201,801	202,800	200,689	222,017	246,730
4. Plus											
(*a*) Subsidies minus current surplus of government enterprises	176	485	420	102	150	183	705	835	930	—63	85
5. Less											
(*a*) Indirect business tax and non-tax liability	9,154	9,365	10,021	11,296	11,769	12,735	14,127	15,522	17,346	18,679	20,307
(*b*) Business transfer payments	429	451	431	502	495	505	506	532	557	582	606
(*c*) Statistical discrepancy	—91	1,375	1,624	1,593	2,337	915	4,035	4,890	4,154	984	—302
6. Equals: NATIONAL INCOME AT FACTOR COST	67,375	72,532	81,347	103,834	137,119	169,686	183,838	182,691	179,562	201,709	226,204
7. Less											
(*a*) Undistributed corporate profits	—906	1,209	2,398	4,921	5,136	6,153	6,128	3,803	8,132	12,073	13,242
(*b*) Corporate profits tax liability	1,040	1,462	2,878	7,846	11,665	14,406	13,525	11,215	9,620	12,511	13,619
(*c*) Corporate inventory valuation adjustment	963	—714	—148	—2,617	—1,204	—773	—287	—564	—5,229	—5,987	—2,170
(*d*) Contributions for social insurance	1,977	2,136	2,282	2,784	3,468	4,516	5,173	6,138	5,998	5,647	5,140
(*e*) Excess of wage accruals over disbursements	—	—	—	—	—	209	—193	14	—30	15	30
8. Plus											
(*a*) Net interest paid by government	1,192	1,205	1,291	1,289	1,517	2,140	2,803	3,663	4,431	4,371	4,443
(*b*) Government transfer payments	2,405	2,512	2,688	2,617	2,655	2,466	3,091	5,647	10,849	11,105	10,508
(*c*) Business transfer payments	429	451	431	502	495	505	506	532	557	582	606
9. Equals: PERSONAL INCOME	68,327	72,607	78,347	95,308	122,721	150,286	165,892	171,927	176,908	193,508	211,900

Source: (2) cited on page 178.

TABLE 9

Personal Consumption Expenditures by Type of Product

(millions of dollars)

	1938	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
1. Food and tobacco	20,662	21,072	22,600	26,476	32,793	37,893	41,461	45,924	54,467	61,706	65,232
2. Clothing, accessories and jewellery	7,876	8,299	8,791	10,483	13,136	16,287	18,058	20,247	22,353	22,973	23,853
3. Personal care	951	1,004	1,107	1,208	1,401	1,702	1,877	2,077	2,315	2,252	2,266
4. Housing	8,733	8,940	9,217	9,863	10,594	11,125	11,702	12,205	13,135	14,507	15,902
5. Household operation	8,732	9,461	10,292	11,724	12,325	12,714	13,524	14,865	18,741	22,689	24,400
6. Medical care and death expenses	3,209	3,386	3,591	3,961	4,470	5,028	5,560	5,902	6,846	7,698	8,425
7. Personal business	3,648	3,725	3,845	4,099	4,007	4,098	4,438	4,787	5,543	6,261	7,174
8. Transportation	5,549	6,250	7,007	8,241	5,387	5,633	5,903	6,694	11,979	15,658	17,577
9. Recreation	3,235	3,446	3,740	4,225	4,732	4,884	5,550	6,314	8,928	9,800	10,068
10. Private education and research	619	628	639	692	815	963	911	871	1,034	1,105	1,152
11. Religious and welfare activities	923	938	1,000	1,014	1,185	1,362	1,562	1,572	1,597	1,575	1,620
12. Foreign travel and remittances—net	376	317	223	269	316	555	1,004	1,621	820	716	1,119
13. Total personal consumption expenditures	64,513	67,466	72,052	82,255	91,161	102,244	111,550	123,079	147,758	166,940	178,788
Of which											
(*a*) Durable commodities	5,754	6,729	7,854	9,750	7,060	6,824	7,103	8,472	16,481	21,996	23,519
(*b*) Non-durable commodities	34,032	35,258	37,594	43,960	52,871	60,970	67,054	74,886	86,750	96,188	102,200
(*c*) Services	24,727	25,479	26,604	28,545	31,230	34,450	37,393	39,721	44,527	48,756	53,069

Sources: (1) and (2) cited on page 178.

TABLE 10

New Construction Activity, by Type

(millions of dollars)

	1938	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
1. New private construction activity	2,941	3,619	4,199	5,238	3,007	1,744	1,823	2,716	8,253	11,179	14,563
(*a*) Residential (non-farm)	1,511	2,114	2,355	2,765	1,315	650	535	684	3,183	5,260	7,223
(*b*) Non-residential building, except farm and public utility	764	785	1,028	1,486	635	232	350	1,014	3,346	3,131	3,578
(i) Industrial	232	254	442	801	346	156	208	642	1,689	1,702	1,397
(ii) Commercial	298	304	365	427	164	34	59	210	1,162	878	1,267
(iii) Institutional	119	112	134	158	79	22	46	88	268	389	591
(iv) Other	115	115	87	100	46	20	37	74	227	162	323
(*c*) Public utility	470	494	580	684	786	570	725	827	1,374	2,338	3,262
(*d*) Farm construction	196	226	236	303	271	292	213	191	350	450	500
(i) Residential	104	120	127	174	144	185	136	116	212	250	275
(ii) Non-residential	92	106	109	129	127	107	77	75	138	200	225
2. New public construction activity	2,077	2,443	2,608	5,070	10,405	6,040	2,313	2,092	2,211	3,145	4,212
(*a*) Residential	35	65	200	430	545	700	190	71	369	186	85
(*b*) Non-residential building	556	835	519	1,540	3,653	1,805	638	652	325	505	1,057
(i) Industrial	12	23	164	1,280	3,437	1,668	507	470	84	25	20
(ii) Institutional	349	532	182	169	148	105	99	144	186	356	786
(iii) Public administration	127	180	96	45	47	14	11	15	16	34	86
(iv) Other	68	100	77	46	21	18	21	23	39	90	165
(*c*) Military and naval	62	125	385	1,620	5,016	2,550	837	690	188	204	137
(*d*) Highway	837	835	875	850	616	420	346	386	778	1,300	1,585
(*e*) All other	587	583	629	630	575	565	302	293	551	950	1,348
3. Total new construction activity	5,018	6,062	6,807	10,308	13,412	7,784	4,136	4,808	10,464	14,324	18,775

Sources: (1) and (2) cited on page 178.

TABLE 11

Producers' Durable Equipment

(millions of dollars)

	1938	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*
1. Special industry machinery	378	405	511	619	601	576	716	853
2. Mining machinery	72	77	114	242	146	113	168	204
3. Construction machinery	85	82	129	177	159	164	180	254
4. Metal working machinery	159	228	449	530	408	331	170	325
5. Pumps and pumping equipment	101	108	150	213	196	178	239	314
6. General and miscellaneous machinery and equipment	363	406	467	546	409	401	478	676
7. Engines and turbines	32	36	48	68	57	72	73	91
8. Farm machinery and equipment	327	292	375	495	517	383	606	744
9. Tractors	184	175	236	316	234	170	380	424
10. Electrical apparatus and equipment	281	352	556	652	451	395	635	724
11. Office machinery	109	115	145	200	170	119	174	234
12. Non-residential furniture and equipment	261	285	341	425	329	277	282	348
13. Professional and scientific equipment	62	80	83	104	84	118	134	145
14. Tools	57	65	89	128	82	122	178	160
15. Durable containers	122	136	143	161	152	197	182	220
16. Miscellaneous subsidiary durable equipment	247	282	323	395	208	117	139	235
17. Business motor vehicles	836	1,142	1,418	1,746	309	394	501	988
18. Railroad and transit equipment	162	200	353	463	461	287	385	378
19. Ships and boats	122	88	145	194	233	312	267	289
20. Aircraft	15	23	39	35	6	0	0	12
21. Less government purchases, not allocable	—	—	6	33	355	644	181	73
22. Total producers' durable equipment.	3,975	4,577	6,108	7,676	4,857	4,082	5,706	7,545

Sources: (1) and (2) cited on page 178.

TABLE 12

Net Change in Business Inventories

(millions of dollars)

	1938	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
1. Net change in business inventories, total	—973	441	2,275	3,874	2,065	—922	—809	—746	6,711	71	6,455
(*a*) Farm	140	97	240	458	1,309	—420	—545	—148	—228	—2,162	1,324
(*b*) Non-farm	—1,113	344	2,035	3,416	756	—502	—264	—598	6,939	2,233	5,131
2. Net change in non-farm inventories	—1,113	344	2,035	3,416	756	—502	—264	—598	6,939	2,233	5,131
(*a*) Corporate	—920	251	1,633	3,165	470	—457	—1,070	—1,027	6,001	2,897	4,147
(*b*) Non-corporate	—193	93	402	251	286	—45	806	429	938	—664	984
(i) Change in book value	—2,297	1,224	2,235	6,677	2,332	425	93	79	14,054	9,836	7,698
(1) Corporate	—1,883	965	1,781	5,782	1,674	316	—783	—463	11,230	8,884	6,317
(2) Non-corporate	—414	259	454	895	658	109	876	542	2,824	952	1,381
(ii) Inventory valuation adjustment	1,184	—880	—200	—3,261	—1,576	—927	—357	—677	—7,115	—7,603	—2,567
(1) Corporate	963	—714	—148	—2,617	—1,204	—773	—287	—564	—5,229	—5,987	—2,170
(2) Non-corporate	221	—166	—52	—644	—372	—154	—70	—113	—1,886	—1,616	—397
3. Net change in non-farm inventories by industrial groups	—1,113	344	2,035	3,416	756	—502	—264	—598	6,939	2,233	5,131
(*a*) Manufacturing	—631	214	1,274	2,321	1,552	247	—814	—1,557	3,242	998	2,556
(i) Change in book value	—1,268	713	1,363	4,053	2,323	826	—593	—1,122	6,502	5,046	4,243
(ii) Inventory valuation adjustment	637	—499	—89	—1,732	—771	—579	—221	—435	—3,260	—4,048	—1,687
(*b*) Wholesale trade	—198	77	162	168	—588	—289	264	542	906	812	893
(i) Change in book value	—403	236	157	794	—316	—128	293	646	2,150	1,970	817
(ii) Inventory valuation adjustment	205	—159	5	—626	—272	—161	—29	—104	—1,244	—1,158	76
(*c*) Retail trade	—187	118	575	501	—272	—336	191	288	2,191	200	1,556
(i) Change in book value	—490	312	656	1,309	234	—185	269	382	4,407	1,945	2,135
(ii) Inventory valuation adjustment	303	—194	—81	—808	—506	—151	—78	—94	—2,216	—1,745	—579
(*d*) All other	—97	—65	24	426	64	—124	95	129	600	223	126
(i) Change in book value	—136	—37	59	521	91	—88	124	173	995	875	503
(ii) Inventory valuation adjustment	39	—28	—35	—95	—27	—36	—29	—44	—395	—652	—377

Sources: (1) and (2) cited on page 178.

NOTES TO TABLES

TABLES 1-5

See notes to related items of table 6 and description of the accounts in the text.

TABLE 6

Item

60. (*a*) Consists of the monetary remuneration of employees commonly regarded as wages and salaries, inclusive of executives' compensation, commissions, tips, and bonuses, and of payments in kind which represent income to the recipients.

60. (*b*) Consists of employer contributions for social insurance, employer contributions to private pension and welfare funds, compensation for injuries, directors' fees, pay of the military reserve, and a few other minor items of labour income.

61. Income of unincorporated enterprises measures the monetary earnings and income in kind of sole proprietorships, partnerships, and producers' co-operatives from their current business operations—other than the supplementary income of individuals derived from renting property. As with corporate profits, capital gains and losses are excluded and no deduction is made for depletion.

    Inventory valuation adjustment measures the excess of the value of the change in the volume of non-farm business inventories, valued at average prices during the period, over the change in the book value of non-farm inventories. This adjustment is required because corporate profits and income of unincorporated enterprises are taken inclusive of inventory profit or loss, as is customary in business accounting, whereas only the value of the real change in inventories is counted as current output in the national product. No valuation adjustment is required for farm inventories because farm income is measured exclusive of inventory profits.

62. Consists of the monetary earnings of persons from the rental of real property, except those of persons primarily engaged in the real estate business; the imputed net rental returns to owner-occupants of non-farm dwellings; and the royalties received by persons from patents, copyrights, and rights to natural resources.

63. (*a*) Refers to the earnings of corporations organized for profit which accrue to residents of the nation, measured before Federal and State profit taxes, without deduction of depletion charges and exclusive of capital gains and losses. Profits accruing to residents are measured by eliminating inter-corporate dividends from profits of domestic corporations and by adding the net receipts of dividends and branch profits from abroad. In other respects, the definition of profits is in accordance with Federal income tax regulations.

63. (*a*) (i) Comprises Federal and State taxes levied on corporate earnings. Disbursements of tax refunds are deducted from tax liability in the year in which the tax liability was incurred.

63. (*b*) See note to item 61 above.

64. Measures the monetary interest and imputed interest accruing to the nation's residents from private business and from abroad, minus government interest accruing to the nation's residents from private consists of the value of financial services received by persons without explicit payment and property income withheld by life insurance companies and mutual financial intermediaries on the account of persons. As government interest paid to corporations appears as part of corporate profits, it is deducted in computing net interest to prevent its inclusion in the national income.

66. Consists of tax liabilities incurred by businesses, except corporate income taxes, and other general government revenues from business. All sales taxes are included, as are payments for such specific services as are provided within the framework of general government activity. However, purchases from government enterprises are excluded. Government receipts from the sale of surplus property are not included in this item. Tax liabilities are net of refunds.

67. Consists of corporate gifts to non-profit institutions, consumer bad debts, cash prizes, unrecovered thefts from business, and personal injury payments from business other than to employees.

68. This is the excess of the value of the estimated gross national product computed by the final products method over its independently estimated value computed by adding necessary conceptual adjustments to the national income.

69. Subsidies are the monetary aids provided by government to private business. Current surplus of government enterprises represents the excess of sales receipts over current operating costs of government enterprises. In the calculation of the current surplus, no deduction is made for charges to depreciation or other reserves and interest is not counted in either receipts or costs. Subsidies and current surplus are shown as a single item because of the difficulties involved in segregating subsidies paid through Federal Government enterprises from other expenditures of these enterprises.

71. Comprises, besides depreciation charges, accidental damage to fixed capital (by fire, etc.) and capital outlays charged to current expense. Depreciation charges reported by business are not adjusted for changes in the replacement value of capital goods, except for farm enterprises. Depreciation allowances for non-profit institutions and owner-occupied dwellings are included.

73. Consists of the market value of purchases of goods and services by individuals and non-profit institutions and the value of food, clothing, housing, and financial services received by them as income in kind. It includes the rental value of owner-occupied houses but does not include purchases of dwellings, which are classified as capital goods.

74. Consists of acquisitions of newly produced capital goods by private business and non-profit institutions and of the value of the change in the volume of inventories held by them. It covers all private new dwellings, including those acquired by owner-occupants.

75. The net change in international assets and liabilities, including the monetary gold stock, arising out of the current international flows of goods and services, factor incomes, and cash gifts and contributions. Thus it measures the excess of (1) domestic output sold abroad over purchases of foreign out-

TABLE 6 *(Continued)*

Item	*Item*
put, (2) production abroad credited to United States-owned resources over production at home credited to foreign-owned resources, and (3) cash gifts and contributions received from abroad over cash gifts and contributions to foreigners. The net transfer of cash gifts and contributions offsets corresponding entries in personal consumption expenditures and government purchases of goods and services.	
76. Measures purchases of goods and services by government bodies, exclusive of acquisitions of land	and used depreciable assets and of current outlays of government enterprises. It consists of general government expenditures for compensation of employees, purchases from business (net of sales by government of consumption goods and materials), net government purchases from abroad and international contributions, and the gross investment of government enterprises. Therefore, government purchases of goods and services excludes transfer payments, government interest, and subsidies, as well as loans and other financial transfers outside the scope of income and product transactions.

TABLE 7

National income originating in each industry is the sum of factor costs incurred by the industry in production. Hence, it is the net value added to production by the industry, measured at factor costs. In the business sector of the economy, except government enterprises, it is equal to the excess of the market value of the industry's product and the subsidies it receives over the sum of the following costs: purchases of goods and services from other enterprises, indirect business tax and nontax liability, business transfer payments, and capital consumption charges. In the Government and personal sectors of the economy, which do not produce for sale, and also in government enterprises, this value added in production (as measured in the present series) can be described only as factor costs incurred. "National income originating" is a more net concept of value-added than that used by the Bureau of the Census in compiling the Census of Manufactures. "Value added by manufacture" was obtained in the 1939 Census of Manufactures by deducting from the value of products only "the cost of materials, supplies, containers, fuel, purchased electric energy, and contract work".

TABLE 8

See notes to related items of table 6.

TABLE 10

Item	*Item*
1. (*b*) (ii) Consists of warehouses, office and loft buildings; stores, restaurants, and garages; and hotels.	2. (*b*) (iv) Commercial, social and recreational, and miscellaneous.
1. (*b*) (iii) Religious, educational, hospital and other private institutional building.	2. (*e*) Consists of sewage disposal and water supply; miscellaneous public service enterprises; conservation and development; and all Federal construction not included elsewhere.
1. (*b*) (iv) Social, recreational, and miscellaneous.	
2. (*b*) (ii) Educational, hospital and other public institutional building.	

TABLE 11

Item	
21. Consists of certain defense plant corporation purchases included mainly in special industry machinery; general and miscellaneous machinery and	equipment; engines and turbines; pumps and pumping equipment; electrical apparatus and equipment; professional and scientific equipment; and tools.

CHAPTER IV

Adjustments for International Comparability

In the previous issue of *National Income Statistics of Various Countries* an attempt was made to present, for as many countries as possible, sets of national income statistics based on a uniform definition. The procedure consisted in adjusting the various national totals for conceptual differences, using the standard definition proposed by the Statistical Office as a basis. The purpose of this chapter is to bring the computations up to date for the countries for which national income statistics are included in chapter III.

In accordance with the conclusions following from the discussion of the concept of national income in chapter II and with statistical practice in many countries, national income at factor cost is adopted in this chapter as the standard definition. It is conceived of as the total of all income payments to factors of production supplied by residents, with the following stipulations:

1. *Non-monetary items* are treated as follows:
   (*a*) National income includes:
      (i) Net rental value of owner-occupied houses.
      (ii) Farmers' consumption of own produce, valued at prices paid to farmers, and similar items.
      (iii) Payments in kind to household personnel, employees in industry, the merchant marine, etc.
   (*b*) National income excludes:
      (i) Unpaid services of housewives.
      (ii) Services of durable consumers' goods in the hands of consumers.
2. *Social insurance and pensions* are treated as follows:
   (*a*) Contributions to pension funds and social insurance funds are included. This requires that pensions and social insurance benefits be considered as transfer incomes.
   (*b*) Where the system is on a non-contributory basis or no schemes exist, pensions to retired personnel are considered as payments for services rendered and are included.
   (*c*) Disability pensions and allowances to ex-service men, war widows, victims of enemy persecution and similar groups are considered as transfer incomes.
3. *Unemployment assistance* and discharge payments are considered as transfer income, but payments to people employed on relief works are included.
4. *Government general services* are included. The net value is measured by the total of wages and salaries paid. The income of the armed forces in money and in kind is included. Items included in income in kind are food and clothing.
5. *Profits and losses of government-owned enterprises* are included. A deficit on operating account will therefore be counted as a loss. However, in special cases, such as state monopolies of alcohol, tobacco, etc., profits may be treated as indirect taxes.
6. *Profits of corporations* are included before payment of corporate income tax. However, profits of corporations operating abroad are included *after* taxes paid abroad. These taxes are added to the income of the country where the corporation is operating.

7. *Interest on government debts* is excluded, but interest on government investments in public and private enterprises is included. Interest imputed to government assets outside enterprises, such as public buildings, schools, roads, etc., may be included.
8. *Foreign aid and other grants, occupation costs, reparations out of current production* are considered as part of the national expenditure of the countries in which they originate. Accordingly, they are not added to the national income of the receiving country.
9. *Personal remittances received from abroad* are excluded. They are included in the national income of the country in which they originate.
10. *Net interest and dividends received from abroad* are included. In principle, undistributed profits of corporations operating abroad are also included. Interest received from abroad on government loans is included, and interest payable abroad on government debts is deducted.
11. *Capital gains and losses* are excluded. Therefore, if necessary, inventory valuation adjustments should be made.
12. *Farm inventory changes* are to be taken into account, and similar adjustments may have to be made for other branches of industry.
13. *Business insurance premiums,* taken net, i.e., after deduction of that part of the premium representing a payment for services rendered by the insurance companies, are treated as allowances for depreciation and maintenance.
14. Net income originating in *banks and other financial intermediaries* is equal to wages and salaries paid, including other labour income, plus profits.[1] To the extent that the services rendered by banks are not compensated by the receipts from fees and commissions, the difference may be imputed to depositors.
15. The *costs to individuals of buying and selling securities* and other property are considered an element of consumers' expenditure.
16. *Income from illegal and immoral transactions* is excluded.
17. *Income from black market transactions* may be evaluated at legal prices and then included, where such a procedure seems appropriate. For other purposes it may be desirable to show income from black market transactions as a separate item.

In accordance with a practice more or less tacitly followed in many countries, the proposed standard definition of national income is the total of all incomes accruing to the *permanent residents* of a country. Thus, the national income includes the earnings of armed forces abroad and of the diplomatic and consular services abroad, and of seasonal and other workers temporarily employed in foreign countries. Accordingly, the expenses abroad of these groups form part of the national expenditure. The personnel of international organizations are considered permanent residents of the countries where the organizations are located. For certain other groups, such as foreign students, foreigners undergoing prolonged medical treatment, prisoners of war, etc., additional rules may have to be developed. However, no attempt to do so is made here.

As indicated above, this list of items has been set up taking national income at factor cost, defined as the total of all income payments to factors of production, as a starting point. It is not difficult to indicate what the treatment should be in each case if one of the other basic definitions indicated in the beginning of chapter II had been chosen. If, for example, national income is defined as the aggregate of the net values added in all branches of economic activity, then the recommendation that payments in kind be included in the national income means that a higher figure for the net value added is obtained than would be the case if the item were considered a business expense for materials. Similarly, in the national expenditure account income received in kind appears as part of consumer expenditure on goods and services, but this would not be

[1] For the derivation of the latter item, *cf. Measurement of National Income and the Construction of Social Accounts,* page 47.

the case if payments in kind were excluded from labour income and treated as a business expense for materials. Thus, for each of the items in the list it is possible to indicate how the two other equivalent national income totals would be affected.

The above list of recommendations is not intended to be complete but it covers most of the important items that are treated differently in various countries and that are known to affect the national income totals obtained. A more complete treatment, including detailed recommendations for uniform definitions of the components of national income and national expenditure, may best be presented in the form of a social accounting system with explanatory notes to all items. However, for the purpose of adjusting available national income totals for major conceptual discrepancies the procedure adopted here may be sufficient.

The survey of national income estimates in chapter III shows that in many countries the treatment of certain elements of national income is complicated owing to particular institutional circumstances which cannot easily be brought under a general theoretical scheme. If in such cases adjustments for conceptual differences have to be made, problems may arise for which only a tentative solution can be indicated. As an example, the treatment of the banking sector may be mentioned, which in most countries differs in one way or another from the treatment recommended here. Only in a few cases does an attempt to apply adjustments seem justified.

Argentina

Official estimates show domestic gross national product at market prices. The corrections required to arrive at national income at factor cost are shown below. No adjustment could be made for rent of houses, an item not included in the original estimates, or for contributions to pension funds. Other adjustments, of minor significance, may also be required.

ARGENTINA[1]

(millions of pesos)

	1938	*1939*	*1940*	*1945*	*1946*	*1947*	*1948*
GROSS NATIONAL PRODUCT as published	8,857	9,294	9,424	15,055	20,000	26,000	31,000
Corrections							
Subtract:							
(*a*) Depreciation allowances (10 per cent)[2]	886	929	942	1,505	2,000	2,600	3,100
(*b*) Indirect taxes less subsidies	810	772	742	869	1,182	2,200	2,500
(*c*) Interest and dividends payable abroad	366	431	375	383	450	269	60
NATIONAL INCOME for international comparisons	6,795	7,162	7,365	12,298	16,368	20,931	25,340

[1] For figures for the war years, *cf. National Income Statistics, 1938-1947,* page 113. Estimates for 1946-1948 are preliminary.

[2] Provisional figures.

Australia

Owing to lack of detailed statistical information no adjustment could be made for the treatment of social security transactions in the original estimates, viz., exclusion of employers' contributions to unemployment insurance funds, etc. Income in kind of the armed forces would have to be adjusted for medical attention, an item included in the Australian figures but excluded from the proposed standard definition. The major correction required is the subtraction of net interest and dividends payable abroad.

In the Australian estimates banking services rendered free are treated as final expenditure on goods and services. If, instead, they were to be considered as intermediate expenditure the correction under (*b*) would have to be made. If free banking services and profits of banks were treated in accordance with the method recommended by the League of Nations Sub-Committee on National Income Statistics,[1] the correction would be smaller.

AUSTRALIA[1]

(millions of pounds (A))

	1938	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
NATIONAL INCOME as published	814	877	949	1,099	1,253	1,309	1,274	1,299	1,358	1,753	1,955
Corrections											
Subtract:											
(*a*) Net interest and dividends payable abroad	43	43	43	41	39	41	39	39	39	42	41
(*b*) Expenditure of financial intermediaries	9	9	10	10	10	10	10	11	14	16	18
NATIONAL INCOME for international comparisons	762	825	896	1,048	1,204	1,258	1,225	1,249	1,305	1,695	1,896

[1] Figures refer to fiscal years starting 1 July of year stated.

Belgium

The adjustments required are not the same for all years since the published figures differ with respect to the treatment of direct taxes and transfer payments. Whereas in the estimate for 1948 the sum of all transfer payments is subtracted, total direct taxes, assumed to be of the same order of magnitude as all transfer payments, are deducted from the figures for 1946 and 1947.

Because of these differences in treatment, the adjustments for international comparison are applied to the published national income totals before certain deductions. The adjustment required is the subtraction from these totals of interest on unproductive government debts, war pensions (in 1947 and 1948), old age and similar benefits (in 1948 only) and "compensatory payments" to persons in lower income ranges (in 1948 only).

BELGIUM

(millions of francs)

	1938	*1946*	*1947*	*1948*
NATIONAL INCOME as published	65,200	202,400	232,550	266,400
Corrections				
Subtract:				
(*a*) Interest on unproductive national debt	1,200	4,000	4,100	5,000
(*b*) War pensions	—	—	2,500	3,400
(*c*) Old age benefits	—	—	—	900
(*d*) Compensatory payments	—	—	—	6,000
NATIONAL INCOME for international comparisons	64,000	198,400	225,950	251,100

Canada

The concept in use is in close agreement with the proposed standard definition. The national income estimates as published include certain inventory valuation adjustments, imputed interest on government real assets, and interest imputed to depositors for banking services rendered free, items not included in the national income statistics of most countries. The last item is not shown separately. Hence, it is not possible to indicate what the effect upon the national income would be if a different treatment of this item were adopted.

[1] *Cf.* page 23.

Ceylon

The national income totals published represent gross taxable national income at factor cost. Hence, income payable abroad would have to be deducted. Since it is stated that the total depreciation of agricultural and certain other equipment does not exceed one per cent of the annual value of exports, an adjustment for this item may be omitted. For reasons stated in the text an adjustment for net rents paid in villages not included in the published estimates may also be neglected.

Because of the absence of detailed information, it is not possible to indicate if and to what extent an adjustment would be required for the item "foreign military expenditure" included in the original estimates.

CEYLON

(millions of rupees)

	1944	*1947*	*1948*
GROSS TAXABLE NATIONAL INCOME as published.....	1,844	1,969	2,272
Corrections			
Subtract:			
(*a*) Interest and dividends payable abroad[1].....	118	99	80
NATIONAL INCOME for international comparisons.....	1,726	1,870	2,192

[1] *Statistical Abstract of Ceylon 1949*, page 235. The figure for 1947 differs somewhat from that shown in the national income memorandum.

Chile

As indicated in chapter III, the estimates for 1942 and 1943 differ from earlier estimates in that the mining tax imposed upon foreign corporations is now regarded as an indirect rather than a direct tax. In making the adjustment it has been assumed that the figure mentioned for this tax in the operating account of business enterprises is correct, and that in the revenue account for the government interest on the public debt has been left out due to an oversight. If this interpretation is correct, then interest on the national debt has been excluded from the national income and therefore no correction would be required for this item.[1]

Net interest and dividends payable abroad would have to be deducted, an item which, however, is not shown in the rest of the world account for this country.

CHILE

(millions of pesos)

	1942	*1943*
NATIONAL INCOME as published.....	24,290	28,742
Corrections		
Add:		
(*a*) Foreign mining tax.....	909	1,219
Subtract:		
(*b*) Net interest and dividends payable abroad[1].....	420	379
NATIONAL INCOME for international comparisons.....	24,779	29,582

[1] *Cf. Balance of Payments 1939-1945*, United Nations, Geneva, 1948, page 55. Original figures expressed in pesos of 6 gold pence have been converted on the basis of the official rate for current pesos. Figures are incomplete owing to the omission of the foreign transactions of the big mining companies.

[1] Information received since the above was written indicates that certain tax receipts and the public debt service have been entered in a special account, which was not consolidated with the general government account.

Czechoslovakia

The national income concept used is in good general agreement with the proposed standard definition. Employers' contributions to social insurance which have been treated as an indirect tax would still have to be added. The somewhat unusual treatment in the national expenditure account of the item "unfreezing of blocked accounts" does not affect the national income totals which have been obtained by aggregating all factor incomes. Figures for 1945 and 1946 are influenced by special allowances to the amount of 5 per cent of the gross income granted by the fiscal authorities for depreciation, maintenance and repairs and other decreases in wealth to make good for losses and arrears in replacement during the war. The estimate for 1946 includes a small allowance for black market profits resulting from charging prices above officially established prices. It excludes wages and salaries paid to the German minority which later had to leave the country.

CZECHOSLOVAKIA

(for 1937, millions of Kč.; for 1946-1948, thousand millions of Kčs.)

	1937	*1946*	*1947*	*1948*
NATIONAL INCOME as published	58,590	155.4	194.4	213.1
Corrections				
Add:				
(*a*) Employers' contributions to social insurance	1,249	3.2	4.2[1]	4.6[1]
(*b*) Wages and salaries of German minority	—	8.0[2]	—	—
NATIONAL INCOME for international comparisons	59,839	166.6	198.6	217.7

[1] Estimated by Statistical Office.
[2] Rough estimate, *cf.* chapter III.

Denmark

Whereas in the earlier estimates part of government services were treated as intermediate services rendered to business and on that ground deducted, this procedure has now been changed. Therefore, the concept of national income at factor cost underlying the new revised estimates comes close to the proposed standard definition. Services rendered by banks without charge are allocated to consumers and to industries. Interest on the public debt is excluded, but interest earned on government productive assets, including interest imputed to government buildings, etc., is included. Employers' contributions to social insurance are excluded. Figures which would enable the necessary adjustment to be made have not been published separately.

In the latest estimates the concept of gross capital formation has been widened to include not only depreciation but also maintenance and repairs. This change tends to increase considerably the figures obtained for gross national product but does not affect the estimates obtained for national income at factor cost.

Finland

The concept used comes very close to the standard definition proposed by the Statistical Office. Services of financial intermediaries have been allocated to business. Whereas in the prewar estimates part of government services were treated as intermediate services rendered to business and on that ground deducted, this adjustment has now been abandoned. All interest on government debts has been excluded. Since the figures are preliminary, detailed analysis will not now be undertaken.

France

The concept underlying the estimates of national income at factor cost shown in chapter III: France (tables 7 and 9) is in general agreement with the proposed standard definition. How-

ever, because of the preliminary character of the figures, detailed information on the methods of estimation and the treatment of various items is not yet available.

The following official figures, received too late to be incorporated in chapter III, show the net geographical product, and therefore net income received from abroad by business enterprises, individuals and the government has to be added. The figures also differ from those shown in chapter III in that actual replacements of capital and not theoretical depreciation allowances have been taken into account. For 1938 the actual replacements of capital amount to 28 thousand million francs, whereas depreciation allowances are estimated at 50 thousand million francs (*cf.* chapter III: France, table 7).

FRANCE

(thousand millions of francs)

	1938	*1948*	*1949*[1]
NATIONAL INCOME as published.....	369	5,712	6,929
Corrections			
Add:			
(*a*) Net investment income from abroad.....	8	41	1
NATIONAL INCOME for international comparisons....	377	5,753	6,930

[1] Preliminary estimate.

Germany

As indicated in chapter III, the concept used in the pre-war publications differs from the proposed standard definition in that the estimates include an adjustment for "taxes not included in private income" which would have to be omitted, whereas corporate profits are shown net instead of gross of corporate profits tax.

In addition, it appears, as has also been indicated in chapter III, that the pre-war estimates require certain statistical revisions. The post-war estimates, which are preliminary, would require other conceptual adjustments, for which detailed data have not yet been made available. For these reasons no attempt will be made to present a series of adjusted figures.

Greece

The national income figures for Greece require certain adjustments which, because of the preliminary character of the estimates, have not been undertaken. Income originating in banking and insurance is taken as the sum of salaries, taxes and deposit interest paid out less net losses of banks, and some sort of adjustment would therefore appear to be necessary. Net income from abroad includes emigrant remittances which are shown separately (*cf.* chapter III) and could easily be deducted. It is not entirely clear why insurance premiums payable abroad have been deducted unless they have not been subtracted from the figures on net value added in different branches of industry. Income from shipping is shown under net income from abroad instead of under transportation.

Hungary

The official estimates show national income at market prices excluding most personal and governmental services. Owing to absence of data no attempt could be made to carry out the necessary adjustments.

India

Official estimates show net geographical product at factor cost, and therefore net income from abroad would have to be added. This item, which probably amounts to less than 1 per cent of the national income, is not accurately known since the available balance of payments statistics refer to undivided India and government interest payments are consolidated with other

government transactions. The national income totals are incomplete in that they do not cover the Indian states for which estimates could not be prepared.

Indonesia

The national income concept underlying the social accounts and the estimates shown in chapter III differs from that used in an earlier study referred to in the first issue of *National Income Statistics of Various Countries.* The following adjustments relate to the latest study only. The principal correction required refers to the services of banks, which are treated as final services rendered to the community as a whole. Since an operating account of financial intermediaries is shown separately, it is possible to indicate what the result would be if (*a*) banks had been treated in accordance with the recommendations of the report, *Measurement of National Income and the Construction of Social Accounts,* or (*b*) all banking services were treated as intermediate services to business. In case (*a*) only services rendered free to consumers and the government would be treated as final. National income in 1938 would be lower by about 24 million guilders. In case (*b*) national income would be lower by 40 million guilders.

Italy

The official estimates include an adjustment for government intermediate services assumed to facilitate private production. To bring the totals into agreement with the proposed standard definition, the item must be added back to the national income totals as published. The estimates also differ from the standard definition in that net emigrants' remittances and other private and governmental gifts from abroad have been included in net income from abroad.

ITALY[1]

(thousand millions of lire)

	1938	*1947*
NATIONAL INCOME as published	116.5	4,984
Corrections		
Add:		
(*a*) Government intermediate services[2]	14.7	316
Subtract:		
(*b*) Gifts from abroad	0.7	188
NATIONAL INCOME for international comparisons	130.5	5,112

[1] *Cf. Annuario Statistico Italiano 1944-48,* pages 431 and 434. National income figures from this source, which includes information on the correction items, differ slightly from those shown in chapter III.

[2] Economic regulating services, maintenance of streets and highways, and part of government organizational and security services. (Information received after completion of chapter III.)

Jamaica

The treatment of the government sector, of net income from abroad, which includes personal remittances from Jamaicans overseas, and of other items would have to be examined in greater detail than available material permits before it can be indicated what adjustments, if any, are required.

Japan

The definitions used are generally in agreement with the recommendations of the Statistical Office. Since, however, all figures are provisional and subject to revision, a detailed investigation into conceptual discrepancies does not seem to be warranted at the present stage.

Luxembourg

The latest official estimates show national income at market prices, and hence the following adjustment has to be made.

LUXEMBOURG

(millions of Luxembourg francs)

	1946	*1947*	*1948*	*1949*
NATIONAL INCOME as published[1]	6,844	8,000	9,000	8,800
Correction				
Subtract:				
(*a*) Indirect taxes minus subsidies	314	550	643	650
NATIONAL INCOME for international comparisons	6,530	7,450	8,357	8,150

[1] Received after completion of chapter III. Cf. *Statistiques Economiques Luxembourgeoises,* August 1949, pages 263-265. Estimate for 1949 submitted by Ministry of Economic Affairs.

Netherlands

The new series of estimates for this country are in close agreement with the standard definition of the Statistical Office. In the estimates for 1946, 1947 and 1948 interest on Indonesian government loans, pensions of former personnel of the overseas territories, and salaries paid to personnel on leave of absence in the Netherlands have been included in income from abroad, although actually no payments have been made by the government of the overseas territories, and the sums concerned were advanced by the Netherlands Government to the Government of Indonesia. For the purposes of national income measurement, these amounts may better be treated as transfers from the Netherlands Government to the recipients. Although according to the definition adopted, personal remittances from overseas are excluded from the national income, the actual figures include those amounts, possibly owing to the difficulty of separating them statistically. The figure for 1938 also includes contributions for pension funds and life insurance premiums received from government personnel in Indonesia. These payments may be excluded on the ground that they relate to non-residents.

In the new estimates all interest on government debts is excluded, whereas interest received as return on investments in enterprises, loans to building societies and loans to foreign Powers and the overseas territories is included. This procedure leads to a somewhat lower national income figure than would have been obtained if imputed interest on government assets outside enterprises had also been included, which was the procedure used before the war. However, no attempt is made to adjust the new set of figures in this respect. No adjustment is suggested here for the treatment of banking services which have been considered as a business cost to the community as a whole. The deficit of the railroads (33 million guilders in 1938) has not been treated as negative income but as compensated by a government subsidy. No adjustment is suggested here with respect to this item.

NETHERLANDS

(millions of guilders)

	1938	*1946*	*1947*	*1948*
NATIONAL INCOME as published	4,904	9,326	11,251	12,653
Corrections				
Subtract:				
(*a*) Personal remittances, overseas pensions, etc., regarded as transfers[1]	5	81	159	153
(*b*) Insurance premiums from personnel in Indonesia	19	—	—	—
NATIONAL INCOME for international comparisons	4,880	9,245	11,092	12,500

[1] For 1938 an adjustment is necessary for personal remittances only. Figures for 1946-1948 exclude interest due on the public debt of Indonesia (approximate annual amount: 35 million guilders); on the other hand, figures shown may include certain amounts that should not be deducted here.

New Zealand

The official national income statistics requi re only minor adjustments to bring the totals into close agreement with the proposed standard definition. Interest on public debt paid abroad is regarded as a transfer, and would have to be deducted if it were to be treated in the same way as other income payable abroad. Income in kind of the armed forces includes food, clothing, accommodation, educational and medical services, etc., whereas according to the proposed standard definition it would be limited to the first two items only. However, no attempt to carry out adjustments will be made here. Net rental income is shown before instead of after payment of real estate taxes and rates. No adjustment could be made for evasion of taxation, or for negative income and losses of previous years allowed as a set-off against current income for taxation purposes. The following adjustment has been made only for the years for which the data required are available.

NEW ZEALAND[1]

(millions of pounds (NZ))

	1938	*1946*	*1947*
NATIONAL INCOME as published	194.1	364.9	411.2
Correction			
Subtract:			
(*a*) Interest on government debt payable abroad[2]	6.1	6.7	6.6
NATIONAL INCOME for international comparisons	188.0	358.2	404.6

[1] Figures refer to fiscal years starting 1 April of year stated.
[2] Figures for 1938: *Balances of Payments, 1939-1945,* United Nations, 1948; for 1946, 1947: *Balance of Payments Yearbook 1938-1946-1947,* International Monetary Fund, 1949.

Norway

Figures shown in chapter III represent net national product at market prices and therefore indirect taxes less subsidies would have to be subtracted. In measuring the net value added in each branch of economic activity only the part of business insurance premiums representing payment for the services rendered by insurance companies has been deducted. All banking services are treated as services to business, and instead of banks' profits only interest imputed to real assets of banks (buildings and office equipment) is included in the national income. However, only the following adjustment is suggested.

NORWAY

(millions of kronor)

	1938	1939	*1946*	*1947*	*1948*	*1949*
NATIONAL INCOME as published[1]	3,826	4,184	7,891	9,095	9,894	10,413
Correction						
Subtract:						
(*a*) Indirect taxes less subsidies[1]	85	89	827	846	753	773
NATIONAL INCOME for international comparisons[2]	3,741	4,095	7,064	8,249	9,141	9,640

[1] Source: 1946-1949: *Nasjonalbudsjettet 1950,* St. Meld. No. 1, 1950, Department of Commerce, Oslo, 1950. Figures for 1938 and 1939 do not include customs duties.
[2] *Cf.* Appendix I, section 2 for adjusted figures for 1940-1943.

Paraguay

The available estimate for 1946 would seem to require a downward adjustment because of the treatment of the government and the banking sector. Owing to the absence of information these corrections could not be carried out.

Peru

The available estimates would seem to require an adjustment for the treatment of the government sector and of other items. Because of the absence of detailed information on various items, no attempt has been made to carry out any corrections.

Philippines

The official estimates show net national product at market prices; hence indirect taxes less subsidies have to be deducted.

PHILIPPINES

(millions of pesos)

	1938	*1946*	*1947*	*1948*
NATIONAL INCOME as published[1]	994	2,759	3,371	3,662
Correction				
Subtract:				
(*a*) Indirect taxes	72	110	206	239
NATIONAL INCOME for international comparisons	922	2,649	3,165	3,423

[1] Information received too late for inclusion in chapter III.

Poland

As indicated in chapter III, the new post-war estimates refer to the material output only, valued at market prices, and exclude the net output of most government general services and personal services. On the basis of pre-war estimates it is possible to indicate approximately the percentage share of these services in the national income, but no attempt has been made to extrapolate the figures for the post-war years.

Puerto Rico

The concept adhered to in the study for Puerto Rico comes close to the proposed standard definition. If it is agreed not to include the imputed value of banking services rendered free to depositors, an amount varying from 0.6 to 1.0 million dollars for imputed interest would have to be deducted from the estimates of national income at factor cost shown in chapter III.

Southern Rhodesia

The definition of national income underlying the new series of estimates starting with 1946 is in good agreement with the standard definition recommended by the Statistical Office. In defining residents for the purpose of measuring national income, the "majority rule" has been adopted. Consequently, wages of migrant native labour from neighbouring countries have been included in the national income. They would probably have been excluded if permanence of residence had been adopted as the sole criterion. Employers' contributions to social insurance and pension funds have been excluded. However, it is not suggested that any adjustments be made at the present stage.

No attempt has yet been made to prepare a series of revised estimates for 1942-1945 comparable with the new figures for 1946-1948.

Surinam (Netherlands Guiana)

The concept used is in general agreement with the proposed standard definition. Income from abroad includes transfers by Surinam workers temporarily abroad. No adjustments appear to be required.

Sweden

The concepts used are in close agreement with the proposed standard definition. However, published figures show gross national product only, owing to the difficulty of estimating depreciation allowances. Depreciation has been tentatively estimated at 10 per cent of domestic gross national product in 1946,[1] at 11 to 13 per cent in 1947,[2] and at 13 to 17 per cent in 1948.[3] Recent communications to the Statistical Office indicate a figure of about 15 per cent. In considering this figure it should be taken into account that the concept of gross capital formation has been widened to include all maintenance and repairs. If a depreciation figure of 15 per cent may be applied to the recent estimates of gross national product, the adjusted figures shown below are obtained.

The official figures include an item for imputed banking services rendered free to persons (estimated at 620 million kronor in 1946 and 650 million kronor in 1947). These amounts would have to be deducted from the figures shown if it were decided to regard these services as rendered to business enterprises.

SWEDEN

(millions of kronor)

	1938[1]	*1946*	*1947*	*1948*	*1949*
GROSS NATIONAL EXPENDITURE AT FACTOR COST as published	12,070	21,350	23,390	25,810	26,450
Corrections					
Subtract:					
(*a*) Depreciation allowances (15 per cent)	1,810	3,200	3,510	3,870	3,970
NATIONAL INCOME for international comparisons	10,260	18,150	19,880	21,940	22,480

[1] Refers to period 1 July 1938—30 June 1939.

Switzerland

The definition of national income at factor cost underlying the new series of official estimates conforms very closely to the proposed standard definition. The figures exclude interest on the national debt but include imputed interest on real assets (roads, buildings, etc.) owned by the national government. All interest on local government debts is included on the ground that the value of the real assets owned exceeds the total debt. Included in military income in kind are not only the value of food and clothing received, but also the value of shelter provided. It is not suggested that any adjustments be applied.

Turkey

As indicated in chapter III, many components of the national income are roughly estimated from fragmentary data. Since there could be little concern with conceptual details in such circumstances, no adjustments are suggested here. Owing to improvements in the methods of measurement, figures for later years are not comparable with earlier figures.

Union of South Africa

The latest official estimates follow closely the pattern recommended by the United Nations. Income originating in the government sector includes an item for interest imputed to government-owned tangible assets such as public buildings and roads. This item has been shown separately for a few years only. The total amount involved is small. No adjustments are suggested.

[1] "Sveriges Utrikeshandel after kriget," *Meddelanden från Konjunkturinstitutet*, Ser. B:7, 1947, pages 39-47.
[2] "Oversikt över det ekonomiska läget 1948," *Meddelanden från Konjunkturinstitutet*, Ser. B:8, 1948, page 2.
[3] "Oversikt över det ekonomiska läget 1946-1949," *Meddelanden från Konjunkturinstitutet*, Ser. B:9, 1949, page 6.

United Kingdom

For the reasons stated in chapter III, the estimates for 1938 and 1946-1948 presented in the latest White Paper on national income and expenditure (Cmd. 7649) are not strictly comparable with those for 1939-1945. Whereas in the earlier publications interest on the total debt of local authorities was included, presumably on the ground that it was matched by real assets owned by local authorities, such interest is now excluded from national income in the same way as national debt interest. The effect of the change is to lower the national income by £40—£50 million annually throughout.

The concept underlying the new series of estimates agrees closely with the standard definition proposed by the Statistical Office. A correction that may be required is for employers' contributions to social insurance, which are excluded from the official national income totals. The adjustment is shown in the following table.

Indirect taxes falling on exports, which were included in previous estimates of national income, have been excluded in the latest publication, thus bringing the totals into closer agreement with the standard definition proposed by the Statistical Office. It is not possible to adjust the estimates for 1939-1945 for this item, since the amounts concerned are not separately shown. For 1938 and 1946-1948 they have been published in Cmd. 7649, page 42.

The definition employed includes profits of government-owned enterprises and of the nationalized industries. However, profits of the Post Office have not been treated as such but as indirect taxes. No adjustment is suggested with respect to this particular item.

War risk insurance premiums have been treated as indirect taxes. This does not affect the figures obtained for national income at factor cost, but it would affect totals at market prices.

Sums set aside for the replacement of capital equipment are calculated on the basis of the original cost and not the replacement cost of assets. It is not possible to adjust the figures in this respect.

UNITED KINGDOM

(millions of pounds)

	1938	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
NATIONAL INCOME as published	4,640	5,037	5,980	6,941	7,664	8,171	8,310	8,355	8,111	8,725	9,675
Corrections											
Add:											
(*a*) Employers' contributions to social insurance	54	55	58	65	72	72	71	69	84	113	151
NATIONAL INCOME for international comparisons	4,694	5,092	6,038	7,006	7,736	8,243	8,381	8,424	8,195	8,838	9,826

United States

To adapt the official estimates to the proposed standard definition, a few minor adjustments would have to be made. For reasons explained in chapter III, no adjustments could be made for the treatment of profits of government enterprises and for interest paid by such enterprises, both of which are excluded, or for the fact that the definition of resident adopted by the United States Department of Commerce is based on the majority rule, whereas the proposed standard definition is based on the criterion of permanent residence only. If it is desired to exclude interest imputed to individuals for banking services rendered free, then the adjustment shown below would have to be made.

UNITED STATES

(millions of dollars)

	1938	*1939*	*1940*	*1941*	*1942*	*1943*	*1944*	*1945*	*1946*	*1947*	*1948*
NATIONAL INCOME as published	67,375	72,532	81,347	103,834	137,119	169,686	183,838	182,691	179,562	201,709	226,204
Corrections											
Subtract:											
(*a*) Interest imputed to individuals[1] ..	818	817	792	852	904	948	1,186	1,325	1,500	1,551	1,744
NATIONAL INCOME for international comparisons	66,557	71,715	80,555	102,982	136,215	168,738	182,652	181,366	178,062	200,158	224,460

[1] Equals value of services rendered to depositors (individuals only) by financial intermediaries without the assessment of specific charges.

The adjusted figures shown in the above table include estimated amounts for the changes in farm inventories of livestock, crops held for sale and crops not held for sale, and an inventory valuation adjustment, items not included in the national income estimates for most other countries.

CHAPTER V

Summary Tables of National Income by Components

The three tables which follow show national income at factor cost by industrial origin and by distributive shares, and gross national expenditure at market prices by forms of final expenditure. The figures cover, where possible, the entire period from 1938 on. In general, the figures have been assembled from chapter III; in a number of cases, however, figures not given in the country sections of chapter III have been added in order to make the series as complete as possible for the time period covered by the tables. In a few instances where it was not possible to fit the published data into the framework of the tables, or where the data were available for only a year or two, the figures have been omitted from the tables.

While in each case the total national income or expenditure figure is given in units of national currency, the components are shown as percentages of the total in order to facilitate comparisons over time and among countries. It is emphasized, however, that inter-country comparisons can only be made with reservations. While uniform headings have been used to classify the components, differences in concept, coverage, quality of the data, etc., make comparisons from country to country misleading in a large number of cases, particularly where the economic structure and institutions of the countries compared differ. The general note following each table defines the headings which have been used as the basis of the classification. Where it has not been possible to conform to these definitions in filling in the data, notes have been supplied to indicate the nature of the discrepancy.

TABLE 1

NATIONAL INCOME BY INDUSTRIAL ORIGIN

Year	Total	*Agriculture*	*Manufacturing and construction*	*Government*	*Trade*	*Transportation and communication*	*All others*
		Percentage distribution					
				CANADA			
	(million dollars (C))						
1944.....	9,712	15.8%	34.7%	17.3%	11.1%	10.1%	11.0%
1945.....	9,747	14.3	33.0	18.3	12.3	10.3	11.8
1946.....	9,796	16.6	34.9	10.7	14.4	10.5	12.9
1947.....	10,938	15.7	38.7	7.6	15.2	10.1	12.7
				CHILE (1)			
	(million pesos)						(2)
1940.....	16,329	17.9	26.4	7.8	15.4	6.4	26.1
1941.....	19,292	17.1	27.7	8.5	12.5	7.8	26.4
1942.....	24,290	17.0	28.7	7.6	14.5	7.8	24.4
1943.....	28,742	16.5	29.5	9.3	14.0	7.3	23.4

TABLE 1 *(Continued)*

NATIONAL INCOME BY INDUSTRIAL ORIGIN

Year	Total	Agriculture	Manufacturing and construction	Government	Trade	Transportation and communication	All others
		Percentage distribution					
				DENMARK (1)			
	(million kroner)	(2)	(3)			(4)	(5)
1946.....	15,345	22.4	32.0	8.4	14.3	9.1	13.8
1947.....	16,985	21.4	34.1	8.6	14.1	8.9	12.9
1948.....	18,376	21.4	35.7	8.1	13.9	8.7	12.2
1949.....	19,631	21.9	38.0	7.8	..	7.2	25.1
				DOMINICAN REPUBLIC (1)			
	(thousand pesos)	(2)	(3)		(4)		
1940.....	88,515	39.0	15.1	7.4	24.8	3.3	10.4
1941.....	96,104	41.5	12.2	7.2	26.0	3.4	9.7
1942.....	119,082	42.2	15.3	6.5	24.2	3.0	8.8
1943.....	131,215	41.6	15.6	7.4	23.6	2.9	8.9
1944.....	155,115	42.7	16.0	8.2	21.3	3.1	8.7
1945.....	174,486	41.1	20.1	7.9	20.5	2.6	7.8
1946.....	180,350	40.9	19.8	8.0	20.9	2.8	7.6
				FINLAND			
	(thousand million markkas)				(1)		
1938.....	29.52	36.7	31.6	6.5	12.5	5.8	6.9
1945.....	94.18	35.1	34.8	9.0	13.0	5.1	3.0
1946.....	152.09	36.8	36.3	6.8	12.6	5.8	1.7
1947.....	221.46	37.1	36.9	6.9	11.9	6.0	1.2
1948.....	309.67	34.3	39.2	6.7	12.7	6.1	1.0
				FRANCE (1)			
	(thousand million francs of 1938)					(2)	
1938.....	328	23.8	36.0	..	15.8	10.7	13.7
1946.....	275	23.6	33.8	..	13.8	14.6	14.2
1947.....	295	21.7	36.3	..	14.2	13.9	13.9
1948.....	323	21.1	37.5	..	13.9	14.2	13.3
				GREECE			
	(thousand million drachmas)		(1)				(2)
1938.....	72	37.5	19.4	5.6	11.1	5.6	20.8
1947.....	9,111	43.7	21.6	8.8	10.0	6.3	9.6
1948.....	14,546	40.0	24.3	8.7	11.2	6.7	9.1

TABLE 1 *(Continued)*

NATIONAL INCOME BY INDUSTRIAL ORIGIN

Year	Total	Agriculture	Manufacturing and construction	Government	Trade	Transportation and communication	All others
		Percentage distribution					
				HUNGARY (1)			
	(million pengös)	(2)	(2)		(2)		(3)
1938	5,192	33.6	37.5	..	8.9	..	20.0
1939	5,940	34.2	38.1	..	7.9	..	19.8
1940	6,743	31.8	40.3	..	7.8	..	20.1
1941	8,311	30.1	41.4	..	7.8	..	20.7
1942	10,348	27.1	45.5	..	7.9	..	19.5
1943	15,431	27.4	47.2	..	8.1	..	17.3
1946	11,816	25.7	46.1	..	10.2	..	18.0
				ITALY (1)			
	(thousand million lire)						
1938	131.1	28.9	29.1	12.0	10.5	8.3	11.2
1947	5,317.8	33.0	34.7	6.9	11.2	5.9	8.3
				NETHERLANDS			
	(million guilders)	(1)	(2)			(2)	(1)
1938	4,904	7.0	30.5	5.2	10.7	10.2	36.4
1939	5,207	8.8	34.3	3.5	11.5	10.1	31.8
1940	5,264	11.4	37.9	3.6	11.4	8.5	27.2
1941	5,724	11.1	39.8	3.8	11.3	8.9	25.1
1942	5,592	11.3	37.1	4.7	11.6	10.1	25.2
1943	5,635	11.4	36.2	5.2	10.8	11.3	25.1
1946	9,326	13.4	33.6	11.8	11.8	10.0	19.4
1947	11,251	11.7	37.5	9.8	12.8	9.5	18.7
1948	12,653	10.7	38.6	8.7	14.5	9.8	17.7
				NORWAY (1)			
	(million kroner)						
1938	3,826	15.5	41.0	2.6	13.6	13.5	13.8
1939	4,184	13.4	42.1	2.5	13.6	15.0	13.4
1940	4,524	15.2	45.9	2.5	15.0	7.6	13.8
1941	5,836	16.5	49.0	1.9	15.6	5.7	11.3
1942	5,729	16.2	48.0	2.2	14.6	6.9	12.1
1943	5,751	16.1	46.4	2.5	14.4	8.1	12.5
1946	7,860	14.1	45.7	4.3	16.8	10.1	9.0
1947	8,981	14.3	49.8	3.1	16.0	10.3	6.5
1948	9,542	16.5	50.0	3.1	14.1	10.8	5.5

TABLE 1 *(Continued)*

NATIONAL INCOME BY INDUSTRIAL ORIGIN

Year	Total	Agriculture	Manufacturing and construction	Government	Trade	Transportation and communication	All others
		Percentage distribution					
				PERU (1)			
	(million soles)		(2)			(3)	
1942.....	2,952	32.0	24.4	7.9	14.5	21.1	
1943.....	3,241	31.8	25.3	7.4	14.0	21.4	
1944.....	3,829	28.3	24.7	8.1	20.4	18.4	
1945.....	4,455	27.7	27.8	7.2	20.0	17.3	
1946.....	5,291	28.0	28.8	7.7	20.8	14.7	
1947.....	6,816	28.9	27.2	5.9	20.7	17.3	
				PUERTO RICO (1)			
	(million dollars)						
1939.....	227.8	30.9	12.7	18.4	10.7	7.1	20.1
1940.....	278.2	28.2	14.8	20.4	10.5	8.2	17.9
1941.....	359.0	29.6	13.7	23.0	10.7	7.6	15.4
1942.....	434.5	27.7	10.0	31.3	10.2	6.0	14.8
1943.....	477.4	22.8	12.2	33.4	11.3	6.3	13.9
1944.....	553.5	23.4	13.8	33.9	10.4	5.3	13.2
1945.....	565.0	25.4	14.8	29.5	10.2	5.1	15.0
				TURKEY (1)			
	(million pounds)			(2)	(3)		(4)
1943.....	5,500	47.6	14.6	5.8	29.6		2.4
1945.....	5,740	48.1	13.9	9.4	26.3		2.3
1947.....	6,400	39.1	14.1	12.3	32.0		2.5
1948.....	7,900	43.0	12.7	10.1	32.0		2.2
				UNION OF SOUTH AFRICA (1)			
	(million pounds)	(2)				(3)	
1938.....	364.8	13.7	41.5	11.1	14.7	6.6	12.4
1939.....	406.0	13.0	42.8	10.2	15.4	5.9	12.7
1940.....	450.0	11.6	41.4	9.0	15.6	6.1	16.3
1941.....	506.0	11.4	39.4	8.3	14.6	6.0	20.2
1942.....	547.9	13.4	36.7	8.4	13.2	5.3	22.8
1943.....	599.3	13.1	35.7	8.4	13.7	5.0	24.2
1944.....	634.3	12.1	36.0	9.1	13.9	5.2	23.7
1945.....	674.5	12.4	34.9	9.6	15.4	5.6	22.1
1946.....	699.4	14.3	34.6	11.8	17.0	10.6	11.7
1947.....	767.4	15.9	34.2	12.8	16.3	9.9	10.9

TABLE 1 *(Continued)*

NATIONAL INCOME BY INDUSTRIAL ORIGIN

Year	Total	*Agriculture*	*Manufacturing and construction*	*Government*	*Trade*	*Transportation and communication*	*All others*
	(million dollars)	*Percentage distribution*					
				UNITED STATES (1)			
1938.....	67,375	8.9	27.3	12.7	17.3	9.9	23.9
1939.....	72,532	8.5	30.0	11.8	16.7	10.2	22.8
1940.....	81,347	8.1	33.0	10.8	16.9	9.8	21.4
1941.....	103,834	8.6	38.1	10.1	15.3	9.2	18.7
1942.....	137,119	9.4	39.7	12.0	13.9	8.8	16.2
1943.....	169,686	8.6	39.1	16.1	13.2	8.6	14.4
1944.....	183,838	8.1	36.9	18.6	13.6	8.3	14.4
1945.....	182,691	8.6	32.4	20.4	15.3	8.1	15.1
1946.....	179,562	9.9	32.6	12.6	19.0	8.4	17.4
1947.....	201,709	9.5	36.4	9.3	19.5	8.1	17.2
1948.....	226,204	9.9	36.8	8.8	19.8	8.0	16.4

NOTES TO TABLE 1

General note: National income as shown in this table is national income at factor cost, unless otherwise specified in the notes below. Although the headings used to designate the industrial groupings are uniform, it is emphasized that the definitions of industries are not necessarily uniform from country to country. In general, *agriculture* includes not only agriculture proper but also forestry, fisheries and allied activities; *manufacturing and construction* includes mining; *government* excludes public enterprises, which are classified by industry; *transportation and communication* includes all public utilities; *all others* comprises finance, real estate, insurance, services, net income from abroad, etc. Exceptions are noted below. The reader is referred to the individual country sections for further details and sources.

Chile: (1) Figures for 1940 and 1941 have been adjusted to exclude the mining tax on foreign corporations so as to agree with the figures for the last two years. (2) Excludes net income from abroad.

Denmark: (1) Gross national product at factor cost; 1946 figures not strictly comparable with later years. (2) Includes turf and brown coal production. (3) Excludes mining; 1949 figure includes public utilities. (4) 1949 figure excludes public utilities. (5) 1949 figure includes trade.

Dominican Republic: (1) For source and details of figures see *National Income Statistics of Various Countries, 1938-1947,* page 55. (2) Excludes forestry. (3) Includes forestry. (4) Includes professions and certain services.

Finland: (1) Trade includes banking and insurance.

France: (1) Excludes income originating in general government and net income from abroad; figures are in constant prices of 1938. (2) Includes "energy".

Greece: (1) Includes agricultural homecrafts. (2) Figures for 1938 and 1947 only include net income from abroad and income from ocean-going shipping.

Hungary: (1) National income at market prices, excluding most personal and governmental services. All figures relate to fiscal years beginning 1 July of year stated. The territory covered by the table is that of 31 March 1947. The 1946 figures are in million forints. (2) Gross of transportation services. (3) Includes transportation services to persons.

Italy: (1) To improve comparability with other countries, the totals have been adjusted for the treatment of government services to business.

Netherlands: (1) Actual and imputed rents on lands are not included in "agriculture" but in "all others". The figures for agriculture adjusted to include such rents amount to 9.6 per cent and 11.4 per cent in 1938 and 1939, respectively. The adjusted figures for later years would not be raised to the same extent owing to rent controls. (2) Public utilities have been included with "manufacturing and construction" rather than with "transportation and communication".

Norway: (1) National income at market prices.

Peru: (1) Gross national product at market prices. (2) Excludes construction. (3) Includes construction.

Puerto Rico: (1) Public enterprises are included in government. Figures relate to fiscal years starting 1 July of year stated.

Turkey: (1) National income at market prices. (2) Include professions, domestic service, widows' and orphans' pensions and other items. (3) Includes finance. (4) Refers to rents on dwellings only.

Union of South Africa: (1) Figures relate to fiscal years starting 1 July of year stated. Beginning with 1946, public enterprises are included with government; prior to 1946, public enterprises are classified by industry. (2) From 1938 to 1945 only, excludes rent of farms (included in "all others"). (3) From 1938 to 1945 only, excludes private transportation (included in "all others").

United States: (1) Government enterprises are included with "government".

TABLE 2

NATIONAL INCOME BY DISTRIBUTIVE SHARES

Year	Total	Wages and salaries	Pay and allowances of Armed Forces	Income of unincorporated enterprises	Corporate profits	Profits of public enterprises	Interest	Rent
		Percentage distribution						
AUSTRALIA (1)								
	(million pounds (A))							
1938.....	814	54.1%	0.5%	19.8%	10.3%	3.9%	11.4%	
1939.....	877	51.1	1.5	21.3	11.3	4.0	10.8	
1940.....	949	50.4	5.9	18.0	11.4	4.1	10.2	
1941.....	1,099	49.9	10.4	16.0	10.5	4.4	8.8	
1942.....	1,253	46.9	14.5	16.5	9.8	4.7	7.6	
1943.....	1,309	46.4	14.9	16.8	10.3	4.3	7.3	
1944.....	1,274	47.1	14.8	16.3	10.5	3.9	7.4	
1945.....	1,299	48.8	11.9	18.9	10.1	2.8	7.5	
1946.....	1,358	54.9	2.3	22.1	11.4	1.8	7.5	
1947.....	1,753	50.3	1.3	30.8	10.3	1.0	6.3	
1948.....	1,955	52.9	1.0	29.7	10.2	0.3	5.9	
BELGIUM								
	(million francs)							
	(1)		(2)					
1938.....	64,000	59.3	..	20.3		9.5		10.9
1946.....	198,400	49.8	..	43.1		2.3		4.8
1947.....	225,950	54.1	..	37.2		4.3		4.4
1948.....	251,100	54.7	..	35.8		4.9		4.6
CANADA								
	(million dollars (C))				(1)		(2)	
1938.....	3,986	62.9	0.2	19.8	11.0	—	6.1	
1939.....	4,289	60.2	0.7	20.8	13.7	0.5	4.1	
1940.....	5,255	56.0	3.7	18.9	15.0	1.2	5.2	
1941.....	6,594	54.4	5.9	17.2	16.6	1.6	4.3	
1942.....	8,382	50.7	7.6	20.9	15.3	1.8	3.7	
1943.....	9,093	52.2	10.0	18.2	14.0	2.4	3.2	
1944.....	9,712	50.5	11.0	20.2	12.2	2.4	3.7	
1945.....	9,747	50.4	11.5	18.6	12.1	2.7	4.7	
1946.....	9,796	54.3	3.5	22.0	14.4	2.5	3.3	
1947.....	10,938	56.8	0.8	21.3	16.4	2.0	2.7	
1948.....	12,588	56.5	0.6	23.2	16.4	1.5	1.8	

TABLE 2 *(Continued)*

NATIONAL INCOME BY DISTRIBUTIVE SHARES

Year	Total	*Wages and salaries*	*Pay and allowances of Armed Forces*	*Income of unincorporated enterprises*	*Corporate profits*	*Profits of public enterprises*	*Interest*	*Rent*
		Percentage distribution						
CHILE (1)								
	(million pesos)							
1940.....	16,329	73.1			17.0			9.9
1941.....	19,292	76.1			14.8			9.1
1942,.....	24,290	74.1			18.0			7.9
1943.....	28,742	75.9			16.8			7.3
CZECHOSLOVAKIA (1)								
	(thousand million korunas)							
	(2)	(3)				(4)		(5)
1938.....	56.7	57.8		27.3	..	4.6	..	4.1
1939.....	38.9	61.7		25.4	..	1.0	..	3.6
1940.....	45.5	66.2		22.6	..	2.4	..	3.5
1941.....	51.5	70.7		19.0	..	2.9	..	3.5
1942.....	57.2	72.4		16.8	..	5.1	..	3.1
1943.....	60.8	72.2		17.3	..	3.8	..	3.3
1944.....	61.3	72.6		16.5	..	3.9	..	3.4
1946.....	155.4	66.3		26.6	..	1.5	..	3.2
1947.....	194.4	67.9		24.1	..	4.5	..	3.0
1948.....	213.1	68.5		22.8	..	5.4	..	0.3
FINLAND								
	(thousand million markkas)							
1938.....	29.52	50.6		26.0		9.7		13.7
1945.....	94.18	57.5		27.3		9.8		5.4
1946.....	152.09	61.5		23.0		8.7		6.8
1947.....	221.46	59.6		26.8		8.0		5.6
1948.....	309.67	61.2		24.9		8.1		5.8
FRANCE								
	(thousand million francs) (1)							
1938.....	356	42.1		38.5		12.9		6.2
1946.....	2,476	45.9		45.1		8.6		2.6
1947.....	3,181	48.4		44.1		4.4		2.6

TABLE 2 *(Continued)*

NATIONAL INCOME BY DISTRIBUTIVE SHARES

Year	Total	Wages and salaries	Pay and allowances of Armed Forces	Income of unincorporated enterprises	Corporate profits	Profits of public enterprises	Interest	Rent
		Percentage distribution						
		NETHERLANDS						
	(million guilders)	(1)			(2)			(3)
1938.....	4,904	50.0			36.9			13.1
1946.....	9,326	58.2			35.8			6.0
1947.....	11,251	56.1			38.7			5.2
1948.....	12,653	55.7			39.3			5.0
		NEW ZEALAND (1)						
	(million pounds (NZ))							
	(2)							
1938.....	194.1	57.2	0.5	..	10.3	4.5	..	3.2
1939.....	211.4	52.3	1.5	..	11.8	4.9	..	3.2
1940.....	231.9	50.8	7.2	..	10.3	5.1	..	3.1
1941.....	254.4	47.6	10.4	..	11.0	5.3	..	3.0
1942.....	293.7	43.4	16.0	..	11.3	5.7	..	2.7
1943.....	326.9	43.3	17.7	..	11.2	5.5	..	2.5
1944.....	330.0	44.8	14.6	..	11.6	4.4	..	2.7
1945.....	350.0	46.4	11.4	..	12.0	4.4	..	2.6
1946.....	364.9	51.2	2.2	..	13.2	4.0	..	2.5
1947.....	411.2	51.2	1.6	..	13.1	3.3	..	2.3
1948.....	419.0	53.9	1.0	..	11.9	2.9	..	2.4
		NORWAY						
	(million kroner)							
1946.....	6,992	65.1				34.9		
1947.....	8,141	62.0				38.0		
1948.....	8,750	59.5				40.5		
		PERU (1)						
	(million soles)							
1942.....	2,538	41.0		38.0	13.7		2.4	4.9
1943.....	2,650	41.6		34.0	16.6		2.5	5.3
1944.....	3,174	44.2		30.9	17.7		2.2	5.0
1945.....	3,705	44.6		32.4	16.0		2.0	5.0
1946.....	4,297	42.6		31.5	19.2		1.9	4.8
1947.....	5,470	42.4		33.9	17.4		1.7	4.6

TABLE 2 *(Continued)*

NATIONAL INCOME BY DISTRIBUTIVE SHARES

Year	Total	Wages and salaries	Pay and allowances of Armed Forces	Income of unincorporated enterprises	Corporate profits	Profits of public enterprises	Interest	Rent
		Percentage distribution						
		PUERTO RICO (1)						
	(million dollars)							
1939.....	227.8	54.1		32.7		0.3	4.1	8.8
1940.....	278.2	55.6		33.5		0.4	3.3	7.2
1941.....	359.0	54.8		36.1		0.4	2.4	6.3
1942.....	434.5	57.4		34.4		0.5	2.2	5.5
1943.....	477.4	61.7		30.5		0.3	1.9	5.6
1944.....	553.5	62.0		30.6		0.3	1.9	5.2
1945.....	565.0	61.9		30.7		0.5	1.9	5.0
		SOUTHERN RHODESIA						
	(million pounds)				(1)		(2)	
1946.....	46.1	62.3		21.3	19.1	1.9	—4.6	
1947.....	53.6	61.2		20.9	19.4	2.8	—4.3	
1948.....	68.5	63.6		19.7	17.2	3.1	—3.6	
		SWITZERLAND						
	(million francs)						(1)	
1938.....	8,702	48.1	0.3	21.5	7.8	3.1	8.9	10.3
1939.....	8,826	46.9	1.9	21.6	7.4	3.5	8.4	10.3
1940.....	9,361	44.9	4.1	22.3	7.7	3.5	7.7	9.8
1941.....	10,441	46.0	2.5	24.2	8.8	3.4	6.2	8.9
1942.....	11,250	47.9	1.9	25.3	7.8	3.1	5.6	8.4
1943.....	12,054	48.6	2.2	25.9	7.3	2.9	5.1	8.0
1944.....	12,524	49.3	2.4	25.7	7.0	3.0	4.8	7.8
1945.....	13,468	53.1	0.8	25.0	6.7	2.8	4.1	7.5
1946.....	15,033	55.3	0.1	23.4	7.9	3.0	3.4	6.9
1947.....	16,842	57.2	0.2	22.2	8.1	2.5	3.2	6.6
1948.....	17,550	58.7	0.3	21.3	7.5	2.4	3.2	6.6
		UNITED KINGDOM (1)						
	(million pounds)				(2)	(2)	(4)	
1938.....	4,640	61.3	1.7	12.6	11.7	0.6	3.6	8.5
					(3)			
1939.....	5,037	59.2	2.5		30.6			7.7
1940.....	5,980	55.6	6.4		31.5			6.5

TABLE 2 *(Continued)*

NATIONAL INCOME BY DISTRIBUTIVE SHARES

Year	Total	*Wages and salaries*	*Pay and allowances of Armed Forces*	*Income of unincorporated enterprises*	*Corporate profits*	*Profits of public enterprises*	*Interest*	*Rent*
		Percentage distribution						
		UNITED KINGDOM (1) *(Continued)*						
1941.....	6,941	53.9	9.0			31.6		5.5
1942.....	7,664	52.6	11.0			31.4		5.0
1943.....	8,171	51.7	12.7			30.9		4.7
1944.....	8,310	51.8	14.2			29.4		4.6
1945.....	8,355	51.6	14.6			29.1		4.7
					(2)	(2)	(4)	
1946.....	8,111	58.3	6.5	14.0	15.0	0.3	0.7	5.2
1947.....	8,725	60.5	4.0	14.1	15.9	0.2	0.4	4.9
1948.....	9,675	60.2	2.5	14.3	16.9	1.2	0.4	4.5
		UNITED STATES (1)						
	(million dollars)							
1938.....	67,375	65.8	0.5	16.0	6.4	..	6.4	4.9
1939.....	72,532	65.4	0.5	15.6	7.9	..	5.8	4.8
1940.....	81,347	62.9	0.7	15.6	11.3	..	5.0	4.5
1941.....103,834		60.1	1.8	15.9	14.1	..	3.9	4.2
1942.....137,119		57.3	4.6	16.8	14.5	..	2.9	3.9
1943.....169,686		55.8	8.5	15.8	14.3	..	2.0	3.6
1944.....183,838		54.7	11.2	15.8	13.1	..	1.7	3.5
1945.....182,691		55.0	12.4	17.1	10.5	..	1.6	3.4
1946.....179,562		60.7	4.4	19.5	10.2	..	1.7	3.5
1947.....201,709		61.3	2.0	19.1	12.7	..	1.7	3.2
1948.....226,204		60.3	1.7	19.0	14.4	..	1.7	2.9

NOTES TO TABLE 2

General note: National income as shown in this table is national income at factor cost, unless otherwise specified in the notes below. Although the headings used to designate the constituent shares are uniform, these shares are not necessarily comparable. In general, *wages and salaries* includes income in kind and certain supplements as well as cash compensation; income of *unincorporated enterprises* covers income in cash and kind of unincorporated business undertakings, farms, professions, and self-employed persons; *corporate profits* are shown before payment of corporate taxes and dividends; *interest* and *rent* refer to interest and rent (actual and imputed) accruing to persons and non-profit institutions. Except where otherwise noted, the several distributive shares include net incomes received from abroad. The reader is referred to the individual country sections for sources and further details.

Australia: (1) Fiscal years beginning 1 July of year stated; net interest and dividends payable abroad have not been deducted.

Belgium: (1) The published totals and components have been corrected for the unusual treatment of direct taxes, transfer payments, and subsidies in order to improve comparability. (2) Not included in national income.

Canada: (1) Before subtraction of net interest and dividends payable abroad. (2) After subtraction of net interest and dividends payable abroad included in corporate profits. Includes imputed interest on government-owned productive assets.

Chile: (1) Figures for the first two years have here been adjusted to agree with the revised figures for the last two years by excluding the mining tax on foreign corporations. Net income from abroad is excluded in all years.

NOTES TO TABLE 2 *(Continued)*

Czechoslovakia: (1) The figures for 1938 are for the territory existing prior to 1 October 1938; figures for 1939 to 1945 refer to Bohemia and Moravia, without the border districts temporarily incorporated into Germany; the figures for 1946, 1947 and 1948 refer to the present territory, but the income of resident Germans is excluded from the 1946 figures. The several components are not comparable for other reasons as well. (2) Components do not add to totals since the balance could not be allocated in terms of the classification adopted here. (3) Includes pensions of government employees and annuities of retired farmers. (4) Comprises public corporations and nationalized industries and, in 1946 only, profits of confiscated property. (5) Includes rental value of farms.

France: (1) Components do not add to totals because the item "statistical discrepancy" is not included in the breakdown.

Netherlands: (1) Includes pensions and leave pay received from the overseas territories. (2) Includes net profits and interest from abroad. (3) Includes all rents on dwellings and agricultural land, before deduction of mortgage interest.

New Zealand: (1) All figures refer to fiscal years starting 1 April of year stated. (2) Components do not add to totals since the balance could not be allocated in terms of the classification adopted here.

Peru: (1) Total and components adjusted for unusual treatment of government.

Puerto Rico: (1) Figures relate to fiscal year starting 1 July of year stated.

Southern Rhodesia: (1) Before deduction of interest and dividends payable abroad. (2) After deduction of interest and dividends payable abroad.

Switzerland: (1) Includes net income from abroad not elsewhere classified and imputed interest on government real assets.

United Kingdom: (1) Figures for the years 1939 to 1945 are not strictly comparable with other figures. (2) Before deduction of interest. (3) Interest on the nonproductive debt of local authorities is included in the years 1939-1945. (4) Figures represent net income from abroad only.

United States: (1) Profits of public enterprises are not included in national income at factor cost.

TABLE 3

GROSS NATIONAL EXPENDITURE

Year	Total	*Personal expenditure on consumer goods and services*	*Government current expenditure on goods and services*	*Gross public domestic investment*	*Gross private domestic investment*	*Net foreign investment*
		Percentage distribution				
AUSTRALIA (1)						
	(million pounds (A))	(2)		(3)	(4)	(5)
1938.....	949	71.2%	6.2%	5.9%	14.8%	1.9%
1939.....	1,025	68.8	9.5	5.4	14.6	1.7
1940.....	1,110	67.4	19.6	4.0	8.6	0.4
1941.....	1,283	62.1	27.9	2.9	6.6	0.5
1942.....	1,458	54.1	40.4	1.9	2.1	1.5
1943.....	1,496	50.4	36.0	1.9	3.3	8.4
1944.....	1,455	53.0	30.4	2.2	6.2	8.2
1945.....	1,491	57.5	19.8	3.1	13.7	5.9
1946.....	1,598	64.0	11.2	4.9	20.3	—0.4
1947.....	1,998	62.6	7.1	4.9	23.0	2.4
1948.....	2,256	63.7	8.9	6.1	17.7	3.6
CANADA						
	(million dollars (C))					
	(1)		(2)		(3)	(4)
1938.....	5,165	73.0	13.5		11.3	1.9
1939.....	5,598	69.0	12.9		15.7	2.2

TABLE 3 *(Continued)*

GROSS NATIONAL EXPENDITURE

Year	Total	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	Gross public domestic investment	Gross private domestic investment	Net foreign investment
		Percentage distribution				
			CANADA *(Continued)*			
1940	6,772	64.7		17.1	16.0	2.6
1941	8,434	59.4		20.7	14.4	5.8
1942	10,524	52.9		36.3	12.0	0.4
1943	11,298	51.9		37.8	7.0	4.9
1944	11,897	53.2		42.7	5.7	0.2
1945	11,759	59.5		31.6	4.9	5.8
1946	11,936	66.6		15.5	15.3	2.8
1947	13,591	67.1		11.4	21.6	0.1
1948	15,450	65.3		11.4	20.9	2.7
			CZECHOSLOVAKIA			
	(thousand million korunas)					
	(1)				(2)	
1946	175.1	82.5	23.4		0.6	—
1947	223.4	79.0	19.0		6.3	—1.5
1948	253.8	72.3	19.0		11.8	—0.8
			DENMARK			
	(million kroner)					(3)
1938	7,574	80.5			18.6	0.9
1939	8,245	80.0			19.2	0.8
1940	8,981	79.6			10.3	10.1
1941	10,103	76.7			14.5	8.8
1942	11,251	77.4			15.3	7.3
1943	12,782	69.0			16.0	15.0
1944	14,594	65.3			15.8	18.9
1945	14,439	76.0			16.1	7.9
1946	16,365	86.2			19.6	—5.8
1947	18,012	83.1			19.2	—2.3
1948	19,556	80.2 (1)			21.2 (2)	—1.4
1949	20,981	78.6			23.1	—1.7
			FINLAND			
	(thousand million markkas)					
					(1)	(2)
1938	35.39	76.5			22.6	0.9
1945	118.33	74.4			18.6	7.0
1946	194.75	72.5			23.4	4.1
1947	274.76	68.6			27.7	3.7
1948	397.31	69.4			29.3	1.3

Year	Total	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	Gross public domestic investment	Gross private domestic investment	Net foreign investment
		Percentage distribution				
FRANCE						
	(thousand million francs)			(1)	(2)	
1938.....	433	75.5	8.3	5.1	11.1	—
1946.....	2,971	71.9	12.0	3.7	16.9	—4.5
1947.....	3,918	72.8	11.4	3.7	15.4	—3.3
NETHERLANDS						
	(million guilders)					(1)
1938.....	5,873	74.9	11.9		9.7	3.5
1946.....	10,869	74.1	20.2		16.3	—10.6
1947.....	13,157	76.7	15.7		20.4	—12.8
1948.....	15,224	73.0	16.1		20.0	—9.1
NEW ZEALAND (1)						
	(million pounds (NZ))		(2)		(2)	
1938.....	229	65.5	14.0		23.1	—2.6
1943.....	373	48.3	43.2		9.6	—1.1
1946.....	418	62.2	13.1		17.5	7.2
1947.....	476	62.0	13.2		25.8	—1.0
1948.....	480	64.6	13.5		20.6	1.3
NORWAY						
	(million kroner)					(2)
1946.....	9,643	62.1	14.7	..	31.2 (1)	—8.0
1947.....	10,904	63.8	11.3	9.2	28.2	—12.5
1948.....	11,589	62.1	11.3	7.7	26.6	—7.7
PERU (1)						
	(million soles)					
1942.....	2,952	81.8	7.9		6.8	3.5
1943.....	3,241	77.3	7.5		14.5	0.7
1944.....	3,829	78.2	8.1		13.8	—0.1
1945.....	4,455	81.2	7.2		11.7	—0.1
1946.....	5,291	74.1	7.7		20.5	—2.3
1947.....	6,816	73.2	5.9		22.7	—1.8

TABLE 3 *(Continued)*

GROSS NATIONAL EXPENDITURE

Year	Total	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	Gross public domestic investment	Gross private domestic investment	Net foreign investment
		Percentage distribution				
			PUERTO RICO (1)			
	(million dollars)					
	(2)			(3)		
1939.....	260.8	91.3	18.5	9.4		—16.0
1940.....	314.6	90.8	20.2	8.6		—22.3
1941.....	413.8	84.1	22.0	11.7		—20.5
1942.....	489.2	80.3	29.9	2.6		—10.4
1943.....	584.2	75.9	29.3	1.8		—8.2
1944.....	625.5	81.6	31.4	6.3		—13.4
1945.....	636.1	94.4	26.9	5.5		—18.1
			SOUTHERN RHODESIA (1)			
	(million pounds)					
				(2)		
1946.....	49.0	80.4	13.1	12.6		—6.1
1947.....	55.1	81.9	15.2	31.6		—28.7
1948.....	70.9	85.6	11.7	29.2		—26.5
			SWEDEN			
	(million kronor)				(1)	
1938.....	12,680	66.5	8.9	6.2	18.8	—0.4
1946.....	22,880	64.0	9.9	7.7	18.8	—0.4
1947.....	24,770	64.9	10.4	8.0	22.6	—5.9
1948.....	27,510	63.2	10.4	8.9	19.2	—1.7
1949.....	28,240	62.0	10.4	9.8	16.5	1.3
			TURKEY (1)			
	(million pounds (T))					
					(2)	
1943.....	5,500	72.7	21.8	4.4		1.1
1945.....	5,740	73.2	20.9	4.3		1.6
1947.....	6,410	67.1	29.3	4.5		—0.9
1948.....	7,900	78.5	19.7	4.6		—2.8

TABLE 3 *(Continued)*

GROSS NATIONAL EXPENDITURE

Year	Total	*Personal expenditure on consumer goods and services*	*Government current expenditure on goods and services*	*Gross public domestic investment*	*Gross private domestic investment*	*Net foreign investment*
		Percentage distribution				
			UNITED KINGDOM (1)			
	(million pounds)				(2)	(3)
1938.....	5,731	75.0	12.8	4.2	9.2	—1.2
1939.....	6,174	70.9	20.8	3.4	8.9	—4.0
1940.....	7,304	63.3	44.0	1.9	1.8	—11.0
1941.....	8,537	56.5	50.9	1.1	1.0	—9.5
1942.....	9,394	54.6	50.3	0.9	1.3	—7.1
1943.....	9,990	52.2	52.6	0.8	1.2	—6.8
1944.....	10,124	54.8	51.7	0.7	—0.6	—6.5
1945.....	10,155	59.0	44.3	0.8	4.5	—8.6
1946.....	10,117	66.6	24.4	0.8	11.9	—3.7
1947.....	10,944	68.2	18.9	2.3	16.3	—5.7
1948.....	12,150	65.9	15.7	2.1	17.3	—1.0
			UNITED STATES			
	(million dollars)					(1)
1938.....	84,683	76.2	15.1		7.4	1.3
1939.....	91,339	73.9	14.3		10.8	1.0
1940.....101,443		71.0	13.7		13.8	1.5
1941.....126,417		65.1	19.5		14.5	0.9
1942.....161,551		56.4	37.0		6.7	—0.1
1943.....194,338		52.6	45.6		2.9	—1.1
1944.....213,688		52.2	45.2		3.6	—1.0
1945.....215,210		57.2	38.5		5.0	—0.7
1946.....212,613		69.5	14.4		13.9	2.2
1947.....235,697		70.8	12.2		13.2	3.8
1948.....262,434		68.1	14.0		17.2	0.7

NOTES TO TABLE 3

General note: National expenditure as used in this table is gross national expenditure at market prices, unless otherwise specified in the notes below. The definition of gross investment is subject to considerable variation particularly in respect of the classification of expenditures for maintenance and repairs. Except where the contrary is noted, *gross public domestic investment* covers the investment of both general government and public enterprises. The sources for this table are mentioned in the respective country sections.

Australia: (1) Fiscal years beginning 1 July of year stated. (2) Includes item "expenditure of financial enterprises" on the ground that such enterprises provide certain final services without charge. (3) Designated as "new works and maintenance"; excludes maintenance expenditure of public enterprises, and war and defense expenditure. (4) Includes expenditure on motor vehicles for personal use. (5) Net interest and dividends payable abroad have not been deducted; exports financed by official gifts are included under government current expenditure.

Canada: (1) Components do not add to total because the statistical discrepancy is not here included in the breakdown. (2) Includes investment expenditure of general government only. (3) Includes investment of public enterprises. (4) Exports under UNRRA, Mutual Aid, etc., are included under government expenditures.

Czechoslovakia: (1) Net national expenditure at market prices. Components do not add to total since the item "less unfreezing of blocked accounts" is not included in the breakdown. (2) The figures are for net investment.

Denmark: (1) Of which, personal: 69.8 per cent; public: 10.4 per cent. (2) Of which, public: 2.9 per cent; private: 18.3 per cent. (3) Includes total deliveries to the occupation Power, both for use inside Denmark and for exports; no distinction is made between ordinary imports and imports financed under ERP.

Finland: (1) Changes in stocks have not been taken into account. (2) Includes reparations and other unilateral items transferred abroad.

France: (1) Excludes investment of public corporations; includes expenditure on armaments. (2) Includes investment of public corporations.

Netherlands: (1) Imports financed by official loans or gifts are treated like other imports.

New Zealand: (1) All figures refer to fiscal years starting 1 April of year stated. (2) Government "capital" expenditure on war and defense is treated as current government expenditure.

Norway: (1) Includes gross public domestic investment. (2) No distinction is made between ordinary imports, and German reparations or imports financed by ERP and other official gifts.

Peru: (1) Domestic gross national expenditure.

Puerto Rico: (1) Figures relate to fiscal years starting 1 July of year stated. (2) Components do not add to totals because the item "statistical discrepancy" is not included in the breakdown. (3) Comprises gross private investment and gross investment in public enterprises only.

Southern Rhodesia: (1) Net national expenditure at market prices. (2) Net domestic investment.

Sweden: (1) Total net change in all stocks has been allocated to private investment.

Turkey: (1) Net national expenditure at market prices. (2) Net domestic investment.

United Kingdom: (1) Figures for 1939 to 1945 not strictly comparable with figures for other years. (2) Includes net increases in the value of exports already shipped for which cash has not been paid, and net additions to the overseas equipment of British oil companies. (3) Excludes items enumerated in preceding note; imports financed by ERP and other official gifts are treated like other imports.

United States: (1) Unilateral transfers in kind which do not give rise to international claims (non-reimbursable lend-lease, UNRRA shipments, exports financed by ERP, etc.) are excluded. The corresponding expenditures are included in government expenditure.

APPENDIX I

National Income of Various Countries

1. NATIONAL INCOME ESTIMATES TO 1918

BELGIUM

(million francs)

1846	1,159
1895	3,280
1913	6,488

FRANCE

(thousand million francs)

1878	21.9
1892	29-30
1893	24.0
1889-1901	26.2
1903	27.8
1913	32.35
1914	37.5

GERMANY

(thousand million Reichsmarks)

1891	24.8
1892	24.8
1893	25.0
1894	25.4
1895	25.9
1896	26.7
1897	27.6
1898	28.6
1899	29.8
1900	30.9
1901	31.3
1902	31.8
1903	32.6
1904	33.8
1905	35.2
1906	37.7
1907	39.7
1908	40.9
1909	42.5
1910	44.0
1911	45.6
1912	47.6
1913	50.1

ITALY

(thousand million lire)

1860	6.3
1861-65	6.3
1866-70	7.0
1871-75	9.0
1876-80	10.0
1881-85	11.5
1886-90	12.5
1890-95	12.5
1896-1900	13.5
1901-05	14.5
1906-10	16.5
1911-15	20.0
1916-20	55.0

LUXEMBOURG

(million francs)

1913	279.1
1918	719.1

NETHERLANDS

(million guilders)

1900	1,699
1901	1,761
1902	1,797
1903	1,845
1904	1,884
1905	1,948
1906	2,041
1907	2,080
1908	2,140
1909	2,202
1910	2,283
1911	2,384
1912	2,556
1913	2,670
1914	2,595
1915	3,093
1916	3,550
1917	3,593
1918	4,121

RUSSIA

(thousand million rubles)

1913	21.0
1917	16.0

SPAIN

(thousand million pesetas)

1906	9.2
1907	9.7
1908	9.9
1909	9.8
1910	9.9
1911	10.5
1912	10.2
1913	10.6
1914	10.8
1915	12.2
1916	15.8
1917	19.4
1918	23.3

SWEDEN

(million kronor)

	(1)
1861	640
1862	680
1863	657
1864	663
1865	663
1866	702
1867	711
1868	681
1869	723
1870	790
1871	849
1872	936
1873	1,096
1874	1,100
1875	1,121
1876	1,143
1877	1,127
1878	1,033
1879	1,003
1880	1,128
1881	1,084
1882	1,136
1883	1,144
1884	1,133
1885	1,085
1886	1,049
1887	1,000
1888	1,114
1889	1,170
1890	1,243
1891	1,328
1892	1,296
1893	1,282
1894	1,277
1895	1,371

	(1)	(2)
1896	1,468	1,536
1897	1,558	1,627
1898	1,702	1,798
1899	1,763	1,870
1900	1,878	1,994
1901	1,783	1,892
1902	1,846	1,949
1903	1,998	2,134
1904	1,953	2,114
1905	2,082	2,209
1906	2,344	2,497
1907	2,551	2,755
1908	2,616	2,769
1909	2,569	2,712
1910	2,778	2,978
1911	2,815	3,011
1912	3,057	3,235
1913	3,230	3,464
1914	3,397	3,625
1915	3,987	4,206
1916	4,909	5,229
1917	5,911	6,480
1918	7,589	8,312

UNION OF SOUTH AFRICA

(million pounds (SA))

1911	130.9
1917	170.9
1918	193.4

UNITED KINGDOM

(million pounds)

1870	929
1871	987
1872	1,041
1873	1,133
1874	1,133
1875	1,085
1876	1,088
1877	1,093
1878	1,071
1879	1,020
1880	1,073
1881	1,113
1882	1,156
1883	1,184
1884	1,136
1885	1,118
1886	1,135
1887	1,164
1888	1,246
1889	1,333
1890	1,399
1891	1,386
1892	1,361
1893	1,330
1894	1,377
1895	1,442

UNITED KINGDOM (Continued)

1896	1,470
1897	1,519
1898	1,601
1899	1,672
1900	1,756
1901	1,724
1902	1,738
1903	1,714
1904	1,742
1905	1,818
1906	1,939
1907	2,035
1908	1,926
1909	1,973
1910	2,063
1911	2,140
1912	2,268
1913	2,368
1914	2,266
1915	2,591
1916	3,064
1917	3,631
1918	4,372

UNITED STATES

(million dollars)

	(1)
1799	677
1809	915
1819	876
1829	975
1839	1,631
1849	2,420

UNITED STATES (Continued)

1859	4,311
1869	6,827
1879	7,227
1889	10,701
1899	15,364
1900	16,158
1901	17,170
1902	18,444
1903	19,595
1904	20,090
1905	21,428
1906	23,165
1907	24,403
1908	23,458
1909	26,456
1910	28,166
1911	28,104
1912	29,422
1913	31,450
1914	31,213
1915	32,533
1916	38,739
1917	46,376
1918	56,956

	(2)
1869-1878	6,489
1874-1883	8,312
1879-1888	9,941
1884-1893	10,953
1889-1898	11,671
1894-1903	14,350
1899-1908	19,740
1904-1913	26,273
1909-1918	36,341
1914-1923	55,324

NOTES AND SOURCES

All figures relate to national income at factor cost unless otherwise stated below.

Belgium: F. Baudhuin, *Placements*, Louvain, 1943.

France: Estimates by various authors: 1878 (Pupin), 1892 (Théry), 1893 (Moulton and Lewis), 1889-1901 and 1903 (Colson), 1913 (Rist), 1914 (Stamp).

Germany: National income at market prices, minus value of government services rendered to business. Excludes income of the armed forces. *Das Deutsche Volkseinkommen vor und nach dem Kriege,* Einzelschriften zur Statistik des Deutschen Reichs, No. 24, Berlin, 1932. (The German National Income before and after the War.)

Italy: F. Coppola d'Anna, *Popolazione, Reddito e Finanze Pubbliche d'Italia,* Rome, 1946. (Population, Income and Public Finance of Italy.)

Luxembourg: "Le Revenu National du Grand-Duché de Luxembourg", *Etudes Economiques,* Ministère des Affaires Economiques, Luxembourg, 1948.

Netherlands: Berekeningen over het nationale inkomen van Nederland voor de periode 1900-1920, De Nederlandsche Conjunctuur, Speciale Onderzoekingen No. 4, Central Bureau of Statistics, The Hague, 1941. (Estimates of the National Income of the Netherlands for the Period 1900-1920.)

Russia: Net material product at 1926/27 market prices. I. M. Krasnolobov, *Planirovanie i Uchot Narodnogo Dokhoda,* Moscow-Leningrad, 1940. (Planning and Accounting of National Income.)

Spain: La Renta Nacional de España, Consejo de Economía Nacional, Madrid, 1945.

Sweden: Net geographical product at market prices, less government intermediate services. Series (1) excludes new investment in buildings and construction. E. Lindahl, E. Dahlgren, K. Kock, *National Income of Sweden 1861-1930,* Stockholm Economic Studies, London, 1937.

Union of South Africa: Figures refer to fiscal years starting 1 April of year stated. S. H. Frankel and H. Herzfeld, *South African Journal of Economics,* vol. 12, No. 2, June 1944.

United Kingdom: Including Southern Ireland. A. R. Prest: "National Income of the United Kingdom, 1870-1946," *The Economic Journal,* vol. LVII, No. 229, March 1948.

United States: (1) *National Income of the United States, 1799-1938,* National Industrial Conference Board, Inc., New York, 1939. (2) National income at factor cost plus government surplus on current account. S. Kuznets, *The National Product since 1869,* National Bureau of Economic Research, Inc., New York, 1946.

2. NATIONAL INCOME ESTIMATES 1919-1948[1]

	Argentina (million pesos) (1)	*Australia (million pounds (A))* (2)	*Austria (million schillings)* (3)	(4)	*Belgium (million francs)* (5)	*Bulgaria (thousand million leva)* (6)	(7)	(8)
1919.....	..	..		..	..	..	..	..
1920.....	..	..	..	..	..	..	..	..
1921.....	..	..	..	..	..	..	..	..
1922.....	..	..	..	..	..	..	..	..
1923.....	..	..	..	..	..	..	..	..
1924.....	..	..	..	..	31,250	43.7	..	..
1925.....	..	..	..	..	..	49.5	..	..
1926.....	..	..	..	..	..	49.4	..	..
1927.....	..	..	..	..	48,610	52.5	..	..
1928.....	..	758	..	..	..	55.5	..	..
1929.....	..	681	7,249	..	..	56.2	..	..
1930.....	..	518	7,407	..	68,490	48.6	..	..
1931.....	..	501	7,040	..	..	44.6	..	..
1932.....	..	522	6,048	..	50,000	39.3	..	..
1933.....	..	585	5,366	..	..	35.6	..	..
1934.....	..	602	5,421	..	49,710	34.6	..	..
1935.....	7,155	679	5,141	..	50,700	36.6	..	..
1936.....	7,954	744	5,559	..	59,770	40.2	44.0	..
1937.....	9,293	789	5,653	7,000	65,270	46.6	50.7	..
1938.....	8,857	771	..	..	65,200	51.3	55.5	..
1939.....	9,294	834	..	..	65,200	59.4	60.3	56.9
1940.....	9,424	906	..	..	..	65.4	65.9	67.1
1941.....	10,458	1,058	..	..	46,000	88.9	85.5	89.4
1942.....	11,914	1,214	..	..	..	109.9	107.9	121.8
1943.....	12,718	1,268	..	..	55,000	146.2	142.4	161.5
1944.....	14,295	1,235	..	..	..	203.5	205.8	250.0
1945.....	15,055	1,260	..	..	..	242.3	245.8	285.8
1946.....	20,000	1,319	..	..	190,600	..	..	334.0
1947.....	26,000	1,711	..	21,000	214,550	..	..	..
1948.....	31,000	1,914	..	25,607	243,900	..	..	..

[1] For countries for which estimates are available for a short period only, reference is made to pages 235-237.

NOTES AND SOURCES

All figures relate to national income at factor cost unless otherwise stated below. Series based on different concepts have been placed in separate columns. Figures in the same series may not be strictly comparable owing to minor conceptual or statistical revisions in estimates for certain years.

(1) Gross national product at market prices excluding net income from abroad. 1935-1945: *La Renta Nacional de la República Argentina*, Banco Central de la República Argentina, Buenos Aires, 1946. 1946-1948: *Revista de Economía Argentina*, vol. XXXI, no. 371-372, May-June 1949, p. 122.

(2) Figures relate to twelve months beginning 1 July of year stated. 1928-1944: H. P. Brown, "The Composition of Personal Income", *The Economic Record*, Melbourne, June 1949. 1945-1948: *National Income and Expenditure 1948-49*, Commonwealth of Australia, Melbourne, 1949.

(3) *Monatsberichte 1937*, Österreichisches Institut für Wirtschaftsforschung, Vienna, 1937.

(4) "Das österreichische Volkseinkommen im Jahre 1948", *Statistische Nachrichten*, 25 June 1949. (The Austrian National Income in the Year 1948.)

(5) Estimates by F. Baudhuin. 1924, 1927, 1932, 1934, 1936-1943: E. R. van der Aa, "Etudes sur le revenu national", *Bulletin de Statistique*, no. 12, December 1946. 1930: "Les finances belges en 1937", *Bulletin de l'Institut de Recherches Economiques et Sociales*, February 1938. 1938, 1946-1948: "Prix, consommation, balance et revenus", *Bulletin de l'Institut de Recherches Economiques et Sociales*, June 1949.

(6) Including Southern Dobruja from 1941. As. Tchakaloff, *National Income and Outlay of Bulgaria, 1924-1945*, Sofia, 1946.

(7) Including Southern Dobruja from 1941. *Le revenu national en Bulgarie, 1936-1945*, Haute Chambre d'Economie Nationale, Sofia, 1947.

(8) Including Southern Dobruja from 1941. Includes income from black market transactions. *Bulletin Mensuel de la Direction Générale de la Statistique*, no. 2-3, February and March 1947, Sofia.

2. National Income Estimates 1919-1948 *(Continued)*

	Canada (million dollars (C)) (9)	(10)	*Czechoslovakia (thousand million Kč.)* (11)	(12)	*Denmark (million kroner)* (13)	*Finland (thousand million markkas)* (14)	(15)	*France (thousand million francs)* (16)
1919.....	3,816	..	..	..	..	..	..	..
1920.....	4,598	..	..	..	..	..	..	110
1921.....	3,507	..	47.27	..	..	..	..	115
1922.....	3,671	..	..	..	..	..	..	119
1923.....	3,847	..	..	..	..	..	..	..
1924.....	3,865	..	..	..	..	..	..	..
1925.....	4,239	..	..	..	..	..	..	134
1926.....	4,507	4,078	..	..	..	19.2	..	208
1927.....	4,738	4,291	..	..	..	21.4	..	210
1928.....	5,269	4,750	..	..	..	22.6	..	227
1929.....	5,273	4,689	67.62	66.1	..	21.6	..	245
1930.....	4,452	4,190	68.47	66.9	4,929	20.0	..	243
1931.....	3,580	3,261	63.70	62.3	4,660	17.4	..	229
1932.....	2,813	2,582	56.73	55.4	4,353	17.3	..	206
1933.....	2,723	2,387	53.80	52.6	4,712	18.3	..	199
1934.....	3,147	2,820	53.36	52.2	5,092	21.2	..	184
1935.....	3,371	3,117	52.68	51.5	5,422	22.4	..	172-180
1936.....	3,827	3,446	52.83	51.5	5,681	25.0	..	189-200
1937.....	4,368	4,017	60.08	58.6	6,094	30.3	..	250-300
1938.....	4,288	3,986	56.66	55.2	6,360	31.3	29.5	369
1939.....	4,570	4,289	38.90	..	6,920	..	..	..
1940.....	5,391	5,255	45.50	..	7,441	..	..	..
1941.....	6,426	6,594	51.54	..	8,441	..	..	..
1942.....	8,044	8,382	57.15	..	9,489	..	..	..
1943.....	..	9,093	60.77	..	11,075	..	..	..
1944.....	..	9,712	61.26	..	11,956	..	..	..
1945.....	..	9,747	..	..	11,968	..	94.2	..
1946.....	..	9,796	..	155.4	13,386	..	152.1	2,476
1947.....	..	10,938	..	194.4	14,585	..	221.5	3,181
1948.....	..	12,588	..	213.1	15,776	..	309.7	5,712

NOTES

(9) *Canada Yearbook 1945.*

(10) 1926-1944: *National Accounts, Income and Expenditure 1926-1947*, Ottawa, 1948. 1945-1948: *Ibidem 1941-1948*, Ottawa, 1949.

(11) Figures for 1939 to 1944 refer to territory excluding border districts incorporated into Germany. 1921-1938: expressed in Kč, 1939-1944 expressed in K. Milos Stádnik, *National Income and its Division* and *National Income and National Expenditure*, Prague, 1946 (in Czech).

(12) Excludes employers' contributions to social insurance. Figure for 1946 excludes income of German population group. Figures refer to actual territory in the respective years. 1929-1938: *Statistical Bulletin of Czechoslovakia*, Prague, July 1947. 1946-1948: Communication from Central Planning Office, Prague, May 1949. Figures from 1946 expressed in kcs.

(13) 1930-1946: *Statistisk Aarbog 1948*, Copenhagen, 1949. (Statistical Yearbook 1948). 1947-1948: *Danmarks Nationalbudget for Aaret 1949*, Copenhagen, 1949. (Denmark's National Budget for the Year 1949.)

(14) National income at market prices. Valter Lindberg, *Suomen Kansantulo Vuosina 1926-1938*, Bank of Finland, Helsinki, 1943.

(15) *Monthly Bulletin*, Bank of Finland, vol. XXIII, no. 7-8, July-August 1949.

(16) 1938-1948: domestic national income at factor cost. Communication by Commissariat général du plan de modernisation et d'équipement, Paris.

2. National Income Estimates 1919-1948 *(Continued)*

	Germany (thousand million reichsmarks) (17)	*Greece (thousand million drachmas)* (18)	*Hungary (million pengös)* (19)	(20)	*Iceland (million kronur)* (21)	*Indonesia (million guilders)* (22)	*Ireland (million pounds)* (23)
1919.....	..	..	..	..	..	..	..
1920.....	..	..	3,718	..	..	..	..
1921.....	..	..	..	..	..	4,921	..
1922.....	..	..	..	..	..	4,485	..
1923.....	..	..	..	..	..	4,371	..
1924.....	..	..	4,337	..	..	4,728	..
1925.....	60.0	..	4,870	..	..	5,023	..
1926.....	62.7	..	5,178	..	..	5,196	..
1927.....	70.8	44.1	5,133	..	..	5,036	..
1928.....	75.4	46.1	5,414	..	..	4,907	..
1929.....	75.9	44.5	5,039	..	..	4,971	161.4
1930.....	70.2	42.7	4,317	..	..	4,552	..
1931.....	57.5	39.4	3,681	..	..	3,349	146.9
1932.....	45.2	43.7	3,467	..	..	2,593	..
1933.....	46.5	49.1	3.374	..	..	2,070	134.5
1934.....	52.7	52.5	3,491	..	..	2,012	..
1935.....	58.6	55.0	3,805	..	106	2,205	..
1936.....	65.8	59.4	4,202	..	108	2,287	154.0
1937.....	73.8	67.7	4,368	..	118	2,768	155.8
1938.....	82.1	72.3	4,617	5,192	120	2,815	154.4
1939.....	89.8	67.3	..	5,940	129	2,933	164.1
1940.....	92.5	..	..	6,743	213	..	179.1
1941.....	97.8	..	..	8,311	349	..	195.1
1942.....	98.0	..	..	10,348	544	..	216.0
1943.....	99.0	..	..	15,431	710	..	241.3
1944.....	90.0	..	..	..	794	..	252.0
1945.....	..	..	..	..	862	..	..
1946.....	48.0	..	..	11,816	1,025	..	..
1947.....	62.3	9,111.2	..	..	..	..	..
1948.....	52.0	14,546.0	..	..	..	..	..

NOTES

(17) National income at market prices excluding government intermediate services and excluding income in money and kind of the armed forces. The figure for 1947 shows national income at market prices excluding government wages and salaries. Figures for 1925-1944 refer to the territory of 1937 (since 1935 including Saar-territory). Figures for 1946 and 1947 refer to the four occupation zones and Berlin. Figure for 1948 refers to Bizone only and is expressed in DM. 1925-1928: *Das deutsche Volkseinkommen vor und nach dem Kriege*, Einzelschriften zur Statistik des Deutschen Reichs No. 24, Berlin, 1932. (The German National Income before and after the War). 1929-1935: *Statistisches Jahrbuch für das deutsche Reich, 1938*, Berlin, 1938. (Statistical Yearbook for Germany, 1938). 1936-1946: *Die deutsche Wirtschaft zwei Jahre nach dem Zusammenbruch*, Deutsches Institut für Wirtschaftsforschung, Berlin, 1947. (The German Economy two Years after the Collapse.) 1947: Ferdinand Grünig, "Volkswirtschaftliche Bilanzen 1936 und 1947", *Vierteljahrshefte zur Wirtschaftsforschung*, 1. Heft 1948, Berlin, 1948. (National Economic Balances 1936 and 1947.) 1948: *Monatsberichte der Bank deutscher Länder*, Frankfurt am Main, April 1949.

(18) Including emigrants' remittances. The figure for 1948 refers to net geographical product. 1927-1947: Ch. Evelpidi, *The National Income of Greece and its Composition*, First International Conference on Income and Wealth, Cambridge, 1949. 1948: *Bulletin No. 188, 3-9-49*, Royaume de Grèce, Sous-Secrétariat d'Etat à la Presse et à l'Information,

(19) National income at market prices, including emigrants' remittances, excluding certain personal services and general government. Figures for war years refer to territory of 1947. Years beginning 1 July of year stated. G. Hajpál: "National Income of Hungary", *Bulletin of the Hungarian Institute of Economic Research*, March 1947. (In Hungarian.)

(20) See note to column (19). The figure for 1946 is given in forints.

(21) *Statistical Bulletin*, Reykjavik, January 1949.

(22) J. J. Polak, "Het Nationale Inkomen van Nederlandsch Indië, 1921-1939", *Statistische en Econometrische Ondersoekingen*, vol. 2, no. 4, December 1947, The Hague. (National Income of the Netherlands Indies.)

(23) 1929-1937: G. A. Duncan, *The Social Income of the Irish Free State, 1926-1938*, Statistical and Social Inquiry Society of Ireland, Dublin, 1939. 1938-1944: *National Income and Expenditure 1938-1944*, Dublin, 1946.

2. National Income Estimates 1919-1948 *(Continued)*

	Jamaica (million pounds) (24)	*Japan (thousand million yen)* (25)	*Luxembourg (million francs)* (26)	*Mexico (million pesos)* (27)	(28)	*Netherlands (million guilders)* (29)	*New Zealand (million pounds (NZ))* (30)
1919.....	..	..	..	..	..	5,453	..
1920.....	..	..	..	..	..	6,006	..
1921.....	..	..	..	..	..	5,480	..
1922.....	..	..	..	..	..	5,080	..
1923.....	..	..	..	..	..	5,008	..
1924.....	..	..	..	..	..	5,239	..
1925.....	..	..	..	..	..	5,394	..
1926.....	..	..	..	..	..	5,508	..
1927.....	..	..	..	..	..	5,603	..
1928.....	..	..	2,205.8	..	..	5,979	..
1929.....	18.7	..	..	2,835	..	6,108	..
1930.....	18.6	10.8	..	2,701	..	5,860	..
1931.....	17.9	10.0	..	2,537	..	5,129	99.7
1932.....	16.7	10.7	..	2,277	..	4,558	91.8
1933.....	16.4	11.8	..	2,722	..	4,391	101.3
1934.....	16.1	12.3	..	3,250	..	4,340	106.6
1935.....	16.7	13.5	1,894.3	3,714	..	4,251	124.6
1936.....	16.9	14.6	2,006.0	4,253	..	4,359	157.5
1937.....	18.7	16.9	2,257.8	4,906	..	4,802	173.3
1938.....	19.6	19.3	..	5,323	..	4,904	194.1
1939.....	..	24.2	..	6,139	6,000	5,207	211.4
1940.....	..	27.5	..	6,802	6,200	5,264	231.9
1941.....	..	31.7	..	7,686	6,900	5,724	254.4
1942.....	..	36.3	..	8,928	8,300	5,592	293.7
1943.....	40.5	43.7	..	10,169	10,500	5,635	326.9
1944.....	..	54.8	..	11,090	13,400	3,930	330.0
1945.....	..	..	2,529.0	11,978	16,000	4,170	350.0
1946.....	63.8	386.9	5,815.7	..	19,200	9,326	364.9
1947.....	..	1,115.9	6,197.8	..	20,900	11,251	411.2
1948.....	..	2,228.9	..	..	22,800	12,653	419.0

NOTES

(24) 1929-1938: Phyllis Deane, *The Measurement of Colonial National Incomes*, Occasional Papers XII, National Institute of Economic and Social Research, Cambridge, 1948. 1943, 1946: *The National Income of Jamaica for 1943, 1946*, Central Bureau of Statistics, Jamaica, British West Indies, 1949.

(25) Figures for 1946-1948 refer to fiscal years beginning 1 July of year stated. Communications from the Economic Stabilization Board.

(26) Based on tax statistics. "Le Revenu National du Grand-Duché de Luxembourg", *Etudes économiques*, Ministère des Affaires Economiques, Luxembourg, 1948. Figures based on production statistics and including indirect taxes: 1945: 3,505.7 million francs; 1946: 6,844.0 million francs; 1947: 8,000 million francs; 1948: 9,000 million francs; 1949: 8,800 million francs.

(27) "El Ingreso Nacional Neto de Mexico, 1929-1945", *Revista de Economia*, 28 February 1946.

(28) Communication by Dr. Josua Saenz, August 1949.

(29) The estimates for the war years exclude net income from overseas. 1919-1939: *Het Nationale Inkomen van Nederland 1921-1939*, No. 7 der Monografieën van de Nederlandse Conjunctuur, Utrecht, 1948. (National Income of the Netherlands 1921-1939.) 1940-1948: Communication from the Netherlands Central Bureau of Statistics, December 1949.

(30) Figures for 1931-1937 relate to aggregate private income. All figures refer to fiscal years starting 1 April of year stated. 1931-1937: *New Zealand Official Yearbook, 1945*. 1938-1948: *National Income of New Zealand 1938/39 to 1948/49*, Supplement to June 1949 issue of *Monthly Abstract of Statistics*, Wellington.

2. National Income Estimates 1919-1948 *(Continued)*

	Norway (million kroner) (31)	*Puerto Rico (million dollars)* (32)	*Spain (thousand million pesetas)* (33)	*Sweden (million kroner)* (34)	(35)	(36)	*Switzerland (million francs)* (37)
1919	..	..	24.8	9,631	..	..	..
1920	..	..	29.0	11,315	..	..	..
1921	..	..	23.0	7,678	..	..	..
1922	..	..	21.0	6,716	..	..	..
1923	..	..	21.9	6,933	..	..	..
1924	..	..	23.0	7,170	..	..	7,738
1925	..	..	25.0	7,311	..	..	..
1926	..	..	23.1	7,499	..	..	..
1927	..	..	23.8	7,663	..	..	..
1928	..	..	21.9	7,871	..	..	..
1929	..	189	25.2	8,396	8,220	..	9,469
1930	..	169	24.0	8,323	8,137	..	9,344
1931	..	156	24.2	..	7,387	..	8,609
1932	..	140	25.6	..	6,841	..	7,685
1933	..	179	22.0	..	6,840	..	7,698
1934	..	177	25.5	..	7,784	..	7,599
1935	2,708	199	24.8	..	8,295	..	7,429
1936	3,047	210	..	..	9,107	..	7,457
1937	3,639	217	..	..	10,274	..	8,160
1938	3,741	207	..	..	10,704	12,070	8,202
1939	4,095	228	26.7	..	..	..	..
1940	4,344	278	36.1	..	..	..	..
1941	5,339	359	43.7	..	..	..	..
1942	5,235	435	50.4	..	..	..	..
1943	5,328	477	55.8	..	..	17,900	..
1944	..	554	63.1	..	..	18,600	..
1945	4,462	565	63.3	..	..	19,400	..
1946	7,064	..	90.4	..	..	21,350	..
1947	8,249	..	102.7	..	..	23,390	..
1948	9,141	..	..	..	..	25,810	..

NOTES

(31) Figure for 1949 is 9,640 million kroner. Estimates for war years exclude income from whaling and merchant shipping in the service of the Allies and net income from abroad. 1935-1939: *Nasjonalbudsjettet 1948,* St. meld. nr. 1 (1948). (The National Budget 1948.) Oslo, 1948. 1940-1944: *Nasjonalregnskapet og nasjonalbudsjettet,* appendix No. 11 to the Budget (1945/1946). (The National Accounts and the National Budget.) Oslo, 1945. 1945: *Statistiske Meddelelser,* appendix to no. 10-12, Oslo, 1947. 1946-1948: *Nasjonalbudsjettet 1950,* St. meld. nr. 1 (1950). (The National Budget 1950.) Oslo, 1950.

(32) All figures relate to fiscal years starting 1 July of year stated. 1929-1938: Daniel Creamer, *The Net Income of the Puerto Rican Economy 1940-1944,* University of Puerto Rico, 1947. 1939-1945: *The Net Income of the Puerto Rican Economy, Fiscal Years 1939-40 to 1945-46,* Division of Statistics, Bureau of the Budget, Office of the Governor, San Juan, Puerto Rico, 1949.

(33) 1919-1928: *La Renta Nacional de España,* volumen I, Consejo de Economía Nacional, Madrid, 1945. 1929-1947: *La Renta Nacional de España en 1947,* Consejo de Economía Nacional, Madrid, 1948.

(34) National income at market prices excluding government intermediate services and net income from abroad. E. Lindahl, E. Dahlgren, K. Kock, *National Income of Sweden 1861-1930,* Stockholm Economic Studies, London, 1937.

(35) National income at market prices, excluding net income from abroad. *Översikt av inkomst och konsumtionsläget,* Meddelanden från Konjunkturinstitutet, Serie B:3, Stockholm, 1945. (Survey of the Income and Consumption Position.)

(36) Gross national product at factor cost. Figure for 1949 is 26,450 million kronor. *Konjunkturläget hösten 1949,* Meddelanden från Konjunkturinstitutet, Serie A:17, Stockholm, 1950. (The Economic Situation, autumn 1949.)

(37) Excluding corporate profits taxes and income of armed forces. *Schweizerisches Volkseinkommen 1924, 1929 bis 1938,* Eidgenössisches Statistisches Amt, Berne, 1941. (Swiss National Income 1924, 1929 to 1938.)

2. National Income Estimates 1919-1948 *(Continued)*

	Switzerland (million francs) (38)	*Union of So. Africa (million pounds (SA))* (39)	*United Kingdom (million pounds)* (40)	*United States (million dollars)* (41)	*United States (thousand million dollars)* (42)	*United States (million dollars)* (43)	*USSR (thousand million rubles)* (44)
1919.....	..	248.3	5,461	62,945	64.2	..	..
1920.....	..	206.7	5,664	68,434	74.2	..	8.4
1921.....	..	176.6	4,460	56,689	59.4	..	8.0
1922.....	..	208.3	3,856	57,171	60.7	..	..
1923.....	..	222.4	3,844	65,662	71.6	..	..
1924.....	..	230.4	3,919	67,003	72.1	..	16.8
1925.....	..	237.1	3,980	70,051	76.0	..	..
1926.....	..	249.6	3,914	73,523	81.6	..	21.7
1927.....	..	270.3	4,145	73,966	80.1	..	23.0
1928.....	..	270.7	4,154	75,904	81.7	..	25.0
1929.....	..	256.8	4,178	79,498	87.2	87,355	28.9
1930.....	..	235.6	3,957	72,398	77.3	75,003	31.7
1931.....	..	217.2	3,666	60,203	60.3	58,873	48.1
1932.....	..	234.7	3,568	46,708	42.9	41,690	45.5
1933.....	..	278.1	3,728	44,713	42.2	39,584	48.5
1934.....	..	298.7	3,881	51,560	49.5	48,613	55.8
1935.....	..	328.9	4,109	56,254	54.4	56,789	65.7
1936.....	..	368.9	4,388	65,246	62.9	64,719	86.0
1937.....	..	374.8	4,616	69,419	70.5	73,627	96.3
1938.....	8,702	365.8	4,640	62,286	65.5	67,375	105.0
1939.....	8,826	406.0	5,037	..	72.4	72,532	..
1940.....	9,361	450.0	5,980	..	80.7	81,347	128.3
1941.....	10,441	506.0	6,941	..	99.0	103,834	..
1942.....	11,250	547.9	7,664	..	121.2	137,119	..
1943.....	12,054	599.3	8,171	..	138.4	169,686	..
1944.....	12,524	634.3	8,310	..	..	183,838	..
1945.....	13,468	674.5	8,355	..	..	182,691	..
1946.....	15,033	699.4	8,111	..	..	179,562	..
1947.....	16,842	784.1	8,725	..	..	201,709	..
1948.....	17,550	831.7	9,675	..	..	226,204	..

NOTES

(38) 1938-1946: *Das Volkseinkommen der Schweiz 1938-1947*, Eidgenössisches Statistisches Amt, Berne, 1948. (The Swiss National Income 1938-1947.) 1947-1948: *Statistisches Jahrbuch der Schweiz 1948*, Berne, 1949. (Statistical Yearbook for Switzerland 1948.)

(39) Figures for the period 1919-1945 refer to fiscal years starting 1 April of year stated, figures for 1946-1947 to fiscal years starting 1 July of year stated. 1919-1937: *The South African Journal of Economics*, vol. 12, no. 2, June 1944. Figures include interest and dividend payments abroad. 1938-1942: *The South African Journal of Economics*, vol. 15, no. 4, December 1947. 1943-1945: *National Accounts, Memorandum No. 1: National Income 1946/47*, Office of Census and Statistics, Pretoria, July 1948. Figures are adjusted for interest and dividends paid abroad. 1946-1947: *National Accounts, Memorandum No. 6: Net National Income 1947-48*, Office of Census and Statistics, Pretoria, April 1949.

(40) The figure for 1919 includes Southern Ireland and is a very rough estimate. 1919-1937: A. R. Prest: "National Income of the United Kingdom 1870-1946", *The Economic Journal*, vol. LVII, no. 229, March 1948. 1938-1948: *National Income and Expenditure of the United Kingdom, 1938 to 1946*, London, 1947 (Cmd. 7099), *Ibid., 1947*, London, 1948 (Cmd. 7371), *Ibid., 1946 to 1948*, London, 1949 (Cmd. 7649). Figures for 1938 and 1946-1948 exclude export duties and interest on local debt.

(41) *National Income of the United States 1799-1938*, National Industrial Conference Board, Inc., New York, 1939.

(42) National income at factor cost plus government surplus on current account. S. Kuznets, *The National Product Since 1869*, National Bureau of Economic Research, Inc., New York, 1946.

(43) *Survey of Current Business*, Washington, July 1948, and *Ibid.*, July 1949.

(44) Net material product at 1926/27 market prices. The figure for 1924 refers to fiscal year starting 1 July 1924. 1920-1928: J. M. Krasnolobov, *Planirovanie i Uchot Narodnogo Dokhoda*, Moscow-Leningrad, 1940. (Planning and Accounting of National Income). 1929-1937: *Monthly Review*, USSR Trade Delegation in the United Kingdom. Revised figures for 1936, 1937 and 1940 submitted by USSR Government.

3. OTHER ESTIMATES OF NATIONAL INCOME

TABLE 1

		Year		
(1)	Belgian Congo	1936-38	3,500	million Congolese francs
		1947	18,000	million Congolese francs
		1948	19,000	million Congolese francs
		1949	18,000	million Congolese francs
(2)	British West Indies:			
	Barbados	1942	5,585	thousand pounds
	Grenada	1942	2,078	thousand pounds
	St. Vincent	1942	855	thousand pounds
(3)	British Guiana	1942	49,920	thousand dollars (BWI)
(4)	Bolivia	1940	7,350	million bolivianos
(5)	Colombia	1940	1,098	million pesos
(6)	Ecuador	1949	3,248	million sucres
(7)	Egypt	1939	220	million pounds
(8)	India	1931	16,890	million rupees
		1945	62,340	million rupees
(9)	Israel	1949	200-220	million Israeli pounds
(10)	Northern Rhodesia	1938	8,358	thousand pounds
(11)	Nyasaland	1938	4,131	thousand pounds
(12)	Panama	1943	134.6	million dollars
		1944	129.2	million dollars
(13)	Paraguay	1946	452	million guaraníes
(14)	Philippines	1938	994	million pesos
		1946	2,759	million pesos
		1947	3,371	million pesos
		1948	3,662	million pesos
		1949	4,000	million pesos
(15)	Surinam	1938	21.5	million guldens
		1947	60.1	million guldens
(16)	Uruguay	1943	523	million pesos
(17)	Venezuela	1936	1,499	million bolívares
(18)	Yugoslavia	1937	44.2	thousand million dinars
		1947	133.0	thousand million dinars
		1948	191.4	thousand million dinars

NOTES AND SOURCES

(1) Maurice Masoin, "La situation économique du Congo belge", *Bulletin de l'Institut de Recherches Economiques et Sociales*, vol XIV, no. 4, August 1948. Average for 1936-38, and estimates for 1948 and 1949 submitted by the author.

(2) F. Benham, *The National Income of Barbados, 1942.* Development and Welfare in the West Indies, Bulletin No. 9.

F. Benham, *The National Income of Grenada, 1942, Ibidem,* Bulletin No. 12.

F. Benham, *The National Income of St. Vincent, 1942, Ibidem,* Bulletin No. 8.

(3) F. Benham, *The National Income of British Guiana, 1942.* Development and Welfare in the West Indies, Bulletin No. 17.

(4, 5) L. M. Dominguez, "National Income Estimates of Latin American Countries", *Studies in Income and Wealth*, vol. 10, New York, 1948, part III.

(6) Private estimate in co-operation with the Statistical Office of the United Nations.

(7) Ch. Issawi, *Egypt: An Economic and Social Analysis*, New York, 1947.

(8) Figures relate to fiscal years starting 1 April of year stated. Figure for 1931-32 refers to British India, including Burma, but excluding the Indian States. Figure for 1945-46 refers to the Indian Provinces before the partition, excluding the Indian States and Burma. National income of the Union Provinces after the partition, excluding the Indian States incorporated into India for 1945-46

estimated at 49,310 million rupees. 1931: V. K. R. V. Rao, *The National Income of British India 1931-32*, London, 1940. 1945: *National Income of British India and the Union Provinces 1945-46*, Government of India, New Delhi, 1949.

(9) Provisional estimate by the Economic Research Section, Tel-Aviv.

(10, 11) Phyllis Deane, *The Measurement of Colonial National Incomes*, Cambridge University Press, 1948.

(12) Figures relate to fiscal years starting 1 July of year stated. Findlay Weaver, "Panama's Receipts from the Canal Zone in Relation to her Foreign Trade and National Income", *U.S. Embassy Report*, Panama, R. P., 2 January 1946.

(13) Carlos A. Soler and Milan Cirovic, *La Producción total del Paraguay en 1946 y su valor neto. Ensayo sobre la Renta Nacional*, Asunción, 1948.

(14) Communication from Bureau of Census and Statistics, Manila, March 1949 and January 1950.

(15) C. A. Oomens, "Jaarrekeningen voor Suriname 1938 en 1947", *Statistische en Econometrische Onderzoekingen*, vol. 3, no. 4, Dec. 1948, The Hague. (National Accounts for Surinam 1938 and 1947).

(16) Estimate by *Ministerio de Hacienda*, Montevideo, 1943.

(17) *Ingreso Nacional de Venezuela*, Banco Central de Venezuela, Caracas, 1949.

(18) *Bulletin d'Information Yugoslave*, No. 1, July 1949.

TABLE 2

CHINA

(million Chinese dollars)

	(1)
1931	24,827
1932	22,959
1933	20,387
1934	19,212
1935	20,826
1936	25,715
1946	23,393

ITALY

(thousand million lire)

	(2)
1921-25	85.0
1926-30	94.0
1931-35	75.0
1936	90.0
1937	100.0
1938 (a)	115.6
1938 (b)	116.6
1947	5,003.0

PALESTINE

(million £(P))

	(3)
1936	34.8
1939	30.24
1942	75.89
1943	90.00
1944	123.04
1945	141.85

POLAND

(thousand million zlotys)

	(4)
1929	28.3
1933	15.5
1937	15.4
1947	14.7
1948	18.0

ROMANIA

(thousand million lei)

	(5)
1929	195.9
1930	144.9
1931	110.6
1932	103.5
1933	99.3

TURKEY

(million £ (T))

	(6)	(7)
1927	..	1,605
1929	1,800	..
1934	..	1,150
1935	1,223	1,250
1936	..	1,330
1938	1,589	..
1939	1,669	..
1943	..	5,500
1944	6,007	..
1945	5,665	5,750
1947	..	6,400
1948	..	7,900

NOTES AND SOURCES

(1) Includes foreign borrowing and gifts from abroad. Figure for 1946 expressed in prices of 1936. Pao-san Ou, *National Income of China 1933, 1936 and 1946*, Institute of Social Sciences, Nanking, 1947.

(2) 1921-25 to 1938(a): F. Coppola d'Anna, *Popolazione, Reddito e Finanze Pubbliche d'Italia*, Rome, 1946. (The Population, Income and Public Finances of Italy.) 1938(b) and 1947: Memorandum submitted by Instituto Centrale di Statistica, Rome, June 1949.

(3) 1936: L. Gruenbaum, *National Income and Outlay in Palestine 1936*, Jerusalem, 1941. 1939-1945: P. J. Loftus, *National Income of Palestine, 1944*, Jerusalem, 1946. P. J. Loftus, *National Income of Palestine, 1945*, Jerusalem, 1948.

(4) 1929, 1933: Gross national product at market prices. *Petit Annuaire Statistique*, Warsaw, 1937. 1937-1948: Net material product, at market prices of 1937, excluding certain services and government. The pre-war figures refer to pre-war territory, *Dochód Narodny Polski, 1947*, Statistical Publication, Series D, No. 13, Central Statistical Office, Warsaw, 1949 (National Income of Poland, 1947), and communication from the Central Planning Office, Warsaw, 1949.

(5) As. Tchakaloff, *National Income and Outlay of Bulgaria, 1924-1945*, Sofia, 1946.

(6) Excluding all direct taxes. V. Eldem, "Le Revenu National de la Turquie," *Revue de la Faculté des Sciences Economiques de l'Université d'Istanbul*, No. 1-2, October 1947-January 1948.

(7) 1927: Sefik Bilkur, *National Income of Turkey*, Ankara, 1949. 1934-1948: Sefik Bilkur, *Revenu National et Dépenses Nationales de la Turquie en 1947 et 1948*, Ankara, 1949. Figures for 1934-1936 refer to fiscal years 1933-34, etc.

TABLE 3

	Ceylon (million rupees) (1)	*Chile (million pesos)* (2)	*Cuba (million pesos)* (3)	*Dominican Republic (million pesos)* (4)	*Peru (million soles)* (5)	*Southern Rhodesia (million pounds)* (6)
1940.....	..	16,963	..	88.5	..	..
1941.....	..	19,987	..	96.1	..	..
1942.....	..	24,290	..	119.1	2,509	30.8
1943.....	..	28,742	..	131.2	2,614	31.8
1944.....	1,844	33,800	..	155.1	3,134	33.6
1945.....	..	37,480	1,050.1	174.5	3,666	37.3
1946.....	..	..	1,253.5	180.4	4,274	46.1
1947.....	1,969	..	1,676.3	..	5,448	56.6
1948.....	2,272	..	1,663.7	..	..	68.5

NOTES AND SOURCES

(1) Gross taxable national income at factor cost. Communications from Department of Census and Statistics, Colombo, April and December 1949.

(2) Net geographical product at factor cost. 1940-1941 and 1944-1945: *Renta Nacional 1940-1945*, Corporación de Fomento de la Producción, Santiago de Chile, 1946. 1942-1943: Communication from Corporación de Fomento de la Producción, Santiago de Chile, May 1949.

(3) Private estimate in co-operation with the Statistical Office of the United Nations.

(4) Communication from the Directorate General of Statistics, Dominican Republic.

(5) *La Renta Nacional del Perú 1942-1947*, Banco Central de Reserva del Perú, Lima, 1949.

(6) 1942-1945: Including immigrants' funds. *Economic and Statistical Bulletin of Southern Rhodesia*, vol. XVI, no. 7, 7 July 1948. 1946-1948: Figures include government income from property and African subsistence income. *Economic and Statistical Bulletin of Southern Rhodesia*, vol. XVII, no. 20, 29, January 1950.

APPENDIX II

Estimates of National Income in Constant Prices, 1938-1948

The following tables present statistics of real national income and real *per capita* income for seventeen countries. For a more detailed description of the methods used for measuring national income in constant prices in *Argentina, Bulgaria, Denmark, France, Hungary* and *Norway*, reference is made to *National Income Statistics of Various Countries, 1938-1947*. As the following survey indicates, the methods used for measuring national income in constant prices differ widely, and it seems legitimate to conclude that the real income series now published can be used for comparing inter-temporal changes in real income among countries only with reservations.

Estimates of real *per capita* income have been obtained by dividing the estimates of real national income by the mid-year population figures. Care has been taken that the population figures used relate to the concept of resident as used for the purpose of measuring national income and that the territorial coverage is also the same. Where the national income estimates refer to fiscal years, the mid-year population figures have been adjusted accordingly.

In *Argentina* the series for real income is based on the volume of output of all branches of industry. For manufacturing, an index of employment has been used. Services of the government in the non-business sector are measured by the total number of government employees, and a similar method is used for personal services.

The series shown for *Bulgaria* is built up from indices of agricultural production, mining and manufacturing.

In *Denmark* the components of the national expenditure have been deflated by appropriate price indices and the resulting series combined.

In *Finland* estimates of real national income have been derived by using indices of production for different industries, weighted by the net values added in the base year.

In *France* real income is derived by combining indices of the volume of physical output weighted by net values added in the base year. For the government sector output is measured by the number of employees and applying base year salary scales.

In *Greece* national income in current prices is deflated by the index of wholesale prices to give real national income.

In *Hungary* estimates of real national income are derived on the basis of indices of the volume of production. A similar method is presumably used in *Italy*.

In the *Netherlands* national income at market prices is deflated by a composite index of prices, derived by combining price indices for various components of national expenditure. These index numbers were obtained as follows:

(*a*) For consumers' expenditure on goods and services the index of cost of living has been used, adjusted for insufficient coverage of expenditure in the higher income brackets. From the material for the revised index two indices have been derived, weighted according to the pre-war and according to the post-war consumption pattern. The geometrical average of the two indices has been adopted as the final index;

(*b*) For government expenditure on wages and salaries an index of the level of salaries has been constructed, ignoring changes in productivity. For the government expenditure on goods and services the index of wholesale prices has been used;

(c) For domestic capital formation an index of prices of machinery and an index of building costs have been used, and it has been assumed that the general index of wholesale prices may be used for increases in stocks held by business. The three index numbers have been combined using as weights the components of gross capital formation in the base year. It is stated that the difference is insignificant if post-war weights are used.

The three indices mentioned under (*a*), (*b*) and (*c*) have been combined into two general indices using the corresponding pre-war and post-war components of the national expenditure as weights. The geometric average of the two series has been adopted as the index to deflate national income.

In *Norway* real national income has been evaluated by deflating the net value added for each branch of industry. Where it was not possible to use this method, other devices have been used. For example, for manufacturing an index of industrial production has been used, and volume indices have also been used for certain other industries.

For the *Philippines* real national income has been derived by combining indices of production for various industries.

In *Spain* the index of wholesale prices has been used as a deflator.

In *Sweden* the components of national expenditure have been expressed in constant prices, by using quantity figures multiplied by the prices prevailing in 1948. If, for statistical reasons, it was not possible to use this method, the series in current prices have been deflated by an appropriate price index. The various series thus obtained have been combined into one series.

In *Switzerland* estimates of real income have been derived by deflating national income at market prices *minus* direct taxes by the index of cost of living. A series of disposable personal income deflated by the cost-of-living index is also shown in the official source. Only the first series has been included in the following table.

The series for the *Union of South Africa* are private estimates obtained by deflating national income in current prices by the index of cost of living.

For the *United Kingdom* an official series of consumers' expenditure at 1938 prices is shown, and also private estimates of gross national income at 1938 prices.

The series shown for consumers' expenditure at 1938 market prices have been derived by revaluing at their 1938 prices the quantities of each item actually bought in any particular year adding the resulting products in order to arrive at a total.

Gross national income at factor cost at 1948 prices has been found by expressing each of the components of gross national expenditure in constant prices:

(*a*) Consumers' expenditure on goods and services at factor cost has been obtained by reconstructing at 1948 prices the official table on personal expenditure on consumers' goods and services at factor cost as shown in the White Paper on National Income and Expenditure.

(*b*) Gross investment at factor cost at 1948 prices has been derived by deflating gross investment at market prices as estimated in the White Paper by a composite index of prices derived from specially constructed price index numbers for the various categories of capital goods. Thus, for plant and machinery the export average value indices for machinery and electrical goods were used, for stockbuilding the "industrial materials and manufactures" wholesale price index, etc. Estimates of gross investment for 1938, 1946 and 1947 are expressed at 1948 prices by multiplying by price indices which have been weighted according to the composition of gross investment in 1938, 1946 and 1947 respectively.

(*c*) The various components of government current expenditure on goods and services were each deflated by an appropriate price index.

(1) Purchases of goods and services were deflated by the consumers' goods factor cost price index, resulting from the methods used in estimating consumers' expenditure in constant prices;

(2) Government depreciation allowances have been revalued at 1948 prices by means of the investment cost index implied in the computations mentioned under (*b*);

(3) For wages and salaries total employment has been adopted as an index of outlay in constant prices, thus assuming no change in the productivity of government personnel.

(*d*) Net expenditure of the rest of the world on goods and services has been deflated as follows:

(1) Exports have been deflated by an export price index, with an adjustment for re-exports, and a similar method has been used to deflate imports.

(2) Invisible items were deflated by different methods. Income from shipping has been deflated by means of an estimated increase in shipping costs, and somewhat similar methods have been used to deflate such items as film costs, government expenditure overseas and tourist expenditure. To deflate payments of interest, profit and dividends, an attempt has been made to show what the payments would have been in 1938, 1946 and 1947, if the rate of return on total capital investment had been what it was in 1948.

The series shown for the *United States* is disposable personal income deflated by the consumers' price index.

For those countries for which estimates of real income are available from 1938 onwards, the figures of real *per capita* income are shown as index numbers (1938 equals 100) in table 2. It should be taken into account that in certain European countries real consumption per head of the population fell much more rapidly during the war than the figures on real national income indicate, which include also occupation costs and other international deliveries.

TABLE 1

REAL NATIONAL INCOME AND REAL *Per Capita* INCOME

1938 - 1948

	Argentine (1)		*Bulgaria* (2)		*Denmark* (3)	
	Gross national income (million pesos)	Per capita *gross income (pesos)*	*National income (1,000 million leva)*	Per capita *income (leva)*	*National income (million kroner)*	Per capita *income (kroner)*
	1935 prices		*1939 prices*		*1935 prices*	
1938	8,070	568	..	..	6,180	1,636
1939	8,630	599	56.9	9,043	6,529	1,716
1940	8,620	591	53.4	8,421	5,968	1,557
1941	9,490	641	57.9	8,628	5,347	1,384
1942	9,730	648	56.7	8,379	5,458	1,398
1943	9,680	636	53.4	7,826	6,033	1,528
1944	10,300	667	49.3	7,167	6,606	1,652
1945	10,000	638	45.4	6,546	6,087	1,505
1946	..	..	50.1	7,164	6,700	1,634
1947	..	..	..	..	..	..
1948	..	..	..	..	..	..

	Finland (4)		*France* (5)		*Greece* (6)	
	National income (million markkas)	Per capita *income (markkas)*	*National income (1,000 million francs)*	Per capita *income (francs)*	*National income (million drachmas)*	Per capita *income (drachmas)*
	1938 prices		*1938 prices*		*1938 prices*	
1938	29,670	8,115	328	7,817	67,372	9,541
1939	..	..	..	..	..	..
1940	..	..	..	..	..	..
1941	..	..	..	..	..	..
1942	..	..	..	..	..	..
1943	..	..	..	..	..	..
1944	..	..	..	..	..	..
1945	24,740	6,543	..	..	..	..
1946	28,080	7,322	275	6,773	..	..
1947	29,640	7,608	295	7,213	44,450	5,887
1948	31,640	7,994	323	7,783	48,400	6,221

TABLE 1

REAL NATIONAL INCOME AND REAL *Per Capita* INCOME (Continued)

1938 - 1948

	Hungary (7)		*Italy* (8)		*Netherlands* (9)	
	National income (million forints)	Per capita *income (forints)*	*National income (1,000 million lire)*	Per capita *income (lire)*	*National income (million guilders)*	Per capita *income (guilders)*
	January 1947 prices		*1938 prices*		*1938 prices*	
1938	21,623	2,361	116.6	2,731	5,395	621
1939	..	..	..	..	..	..
1940	..	..	..	..	..	..
1941	..	..	..	..	..	..
1942	..	..	..	..	..	..
1943	..	..	..	..	..	..
1944	..	..	82.9	1,861	..	..
1945	..	..	68.4	1,531	..	..
1946	13,635	1,508	..	..	4,909	521
1947	18,746	2,062	81.2	1,790	5,719	594
1948	..	..	..	..	6,312	645

	Norway (10)		*Philippines* (11)		*Spain* (12)	
	National income (million kroner)	Per capita *income (kroner)*	*National income (million pesos)*	Per capita *income (pesos)*	*National income (1,000 million pesetas)*	Per capita *income (pesetas)*
	1939 prices		*1938 prices*		*1929 prices*	
1938	4,669	1,602	994	629	..	..
1939	4,895	1,671	..	..	18.5	725
1940	4,301	1,460	..	..	21.0	815
1941	4,434	1,498	..	..	21.5	827
1942	4,248	1,427	..	..	22.5	857
1943	4,121	1,373	..	..	22.3	842
1944	4,000	1,319	..	..	23.5	879
1945	3,800	1,242	..	..	21.2	785
1946	4,616	1,489	863	453	25.3	929
1947	5,180	1,648	..	..	..	..
1948	..	..	..	..	..	..

TABLE 1

REAL NATIONAL INCOME AND REAL *Per Capita* INCOME (Continued)

1938 - 1948

	Sweden (13)		*Switzerland* (14)		*Union of South Africa* (15)	
	National income (million kronor)	Per capita *income (kronor)*	*National income (million francs)*	Per capita *income (francs)*	*National income (million pounds (SA))*	Per capita *income (pounds (SA))*
	1948 prices		*1938 prices*		*1938/39 prices*	
1938	..	..	8,314	1,983	407.7	41
1939	..	..	8,409	1,999	441.2	43
1940	..	..	8,028	1,899	465.7	45
1941	..	..	7,198	1,692	489.2	46
1942	..	..	7,176	1,675	485.2	45
1943	..	..	7,409	1,715	503.1	46
1944	..	..	7,378	1,692	524.1	47
1945	..	..	7,939	1,803	547.3	49
1946	25,510	3,797	8,806	1,972	..	..
1947	26,390	3,879	9,799	2,155	..	..
1948	27,510	3,997	9,957	2,160	..	..

	United Kingdom				*United States*
	(16)		(17)		(18)
	Consumers' expenditures (million pounds)	Per capita *consumers' expenditures (pounds)*	*Gross national income (1,000 million pounds)*	Per capita *gross income (pounds)*	Per capita *disposable personal income (dollars)*
	1938 prices		*1948 prices*		*1948 prices*
1938	4,296	90	8.84	186	857
1939	4,277	90	..	..	923
1940	3,891	81	..	..	981
1941	3,718	77	..	..	1,125
1942	3,697	76	..	..	1,262
1943	3,641	75	..	..	1,314
1944	3,706	76	..	..	1,405
1945	3,921	80	..	..	1,389
1946	4,263	87	9.81	199	1,342
1947	4,411	89	10.18	205	1,282
1948	4,437	89	10.50	210	1,302

NOTES AND SOURCES

All figures relate to national income at factor cost unless otherwise stated below. Series based on different concepts have been placed in separate columns. Sometimes figures in the same series may not be strictly comparable owing to minor conceptual or statistical revisions in estimates for certain years.

(1) Gross national product at market prices. *La renta nacional de la República Argentina,* Buenos Aires, 1946.

(2) Including Southern Dobruja from 1941. *Bulletin Mensuel de la Direction Générale de la Statistique,* No. 2-3, February and March 1947, Sofia.

(3) National income at market prices. *Statistisk Aarbog 1948,* Copenhagen 1949, (Statistical Yearbook 1948) and *Nationalproduktet og Nationalindtaegten 1930-1946,* Copenhagen 1948. (The National Product and the National Income 1930-1946.)

(4) Domestic net national product at factor cost. Bank of Finland, *Monthly Bulletin,* vol. XXIII, no. 7-8, July-August 1949.

(5) Net geographical product at factor cost. *Annexes au Quatrième Rapport semestriel sur la realisation du plan de modernisation et d'équipement,* Paris, 1949.

(6) Net geographical product excluding net income from shipping. *The National Income of Greece during the Year 1947,* Committee of Investigation of the Greek National Income and Investment, Ministry of Coordination, Athens, February 1949, and "Le revenu national de l'année 1948", *Bulletin No. 188,* Sous-Secrétariat d'Etat à la Presse et à l'Information, Athens, 3 September 1949.

(7) National income at market prices, including emigrants' remittances, excluding certain personal services. Years beginning 1 July of year stated. Communication from the Hungarian Department of Foreign Affairs, May 1948.

(8) *Congiunctura Economica,* March 1946 and Banca Nazionale del Lavoro *Quarterly Review,* no. 4, January 1948.

(9) National income at market prices. *Statistische en Econometrische Onderzoekingen,* vol. 4, no. 1, The Hague, March 1949. (Statistical and Econometric Studies.)

(10) National income (for 1947 net geographical product) at market prices. Figures for 1940-1945 exclude income from shipping and whaling in the service of the Allies. 1938-1939 and 1947: *Nasjonalbudsjettet 1948,* St. Meld nr. 1 (1948), Oslo, 1948. (The National Budget 1948.) 1941-1946: *Om nasjonalbudsjettet 1947,* St. Meld. nr. 10 (1947), Oslo, 1947. (On the National Budget 1947.)

(11) National income at market prices. *Report and Recommendations of the Joint Philippine-American Finance Commission,* Manila, 1947.

(12) *La Renta Nacional de España,* vol. II, Madrid, 1947.

(13) Gross national product at market prices. Preliminary figures for 1949 are 28,430 million kronor and 4,085 kronor, respectively. *Konjunkturläget hösten* 1949, Meddelanden från Konjunkturinstitutet, Serie A:17, Stockholm, 1950. (The Economic Situation Autumn 1949.)

(14) National income at market prices less direct taxes. 1938-1946: *Das Volkseinkommen der Schweiz 1938-1947,* Berne, 1948. (The National Income of Switzerland 1938-1947.) 1947, 1948: Communication of the Federal Bureau of Statistics, December 1949.

(15) National income at market prices. Fiscal years starting 1 July of year stated. S. Herbert Frankel "Expenditure in Relation to National Income", *The South African Journal of Economics,* vol. 15, no. 4, December 1947.

(16) Consumers' expenditures at market prices. 1938 and 1946-1948: *National Income and Expenditure of the United Kingdom 1946 to 1948,* (Cmd. 7649), London, 1949. 1944-1945: *Ibid. 1947* (Cmd. 7371), London, 1948. 1939-1943: *Ibid. 1938 to 1942* (Cmd. 7099), London, 1947.

(17) D. Seers, P. F. D. Wallis, "Changes in Real National Income", *Bulletin of the Oxford University Institute of Statistics,* vol. 11, no. 6, Oxford, June 1949.

(18) *The Economic Report of the President transmitted to the Congress January 1950,* Washington, 1950.

TABLE 2

INDEXES OF REAL *Per Capita* INCOME

(1938 = 100)

	Argentina	*Denmark* (1)	*Denmark* (2)	*Finland*	*France* (1)	*France* (2)	*Greece*	*Hungary*	*Italy*
1938.....	100	100	100	100	100	100	100	100	100
1939.....	105	105	105	..	..	..	..	..	..
1940.....	104	98	95	..	..	..	..	..	..
1941.....	113	81	85	..	..	..	..	..	..
1942.....	114	81	85	..	..	..	..	..	..
1943.....	112	80	93	..	..	..	..	..	..
1944.....	117	82	101	..	..	..	..	..	68
1945.....	112	87	92	81	..	..	..	..	56
1946.....	..	106	100	90	87	87	..	64	..
1947.....	..	..	..	94	89	92	62	87	66
1948.....	..	..	..	99	93	100	65	..	..

	Netherlands (1)	*Netherlands* (2)	*Norway*	*Philippines*	*Switzerland*	*Union of South Africa*	*United Kingdom* (1)	*United Kingdom* (2)	*United States*
1938.....	100	100	100	100	100	100	100	100	100
1939.....	..	..	104	..	101	105	100	..	108
1940.....	..	..	91	..	96	110	90	..	114
1941.....	..	..	94	..	85	112	86	..	131
1942.....	..	..	89	..	84	110	84	..	147
1943.....	..	..	86	..	86	112	83	..	153
1944.....	..	..	82	..	85	115	84	..	164
1945.....	..	..	78	..	91	120	89	..	162
1946.....	84	84	93	72	99	..	97	107	157
1947.....	98	96	103	..	109	..	99	110	150
1948.....	107	104	..	..	109	..	99	113	152

Note: Cf. for sources and explanatory notes the notes to table 1. Series (1) for Denmark shows personal plus government current expenditure on goods and services at constant market prices. Series (1) for France, the Netherlands, and the United Kingdom refer to consumers' expenditure on goods and services at constant market prices. All other series show *per capita* national income.

APPENDIX III

Exchange Rates[1]

(U. S. cents per unit of national currency)

	Unit	*1938*	*1939*	*1940*	*1945*	*1946*	*1947*	*1948*
Argentina	Peso							
Preferential		..	26.81 (2)	26.81	26.81	26.81	26.81	26.81
Basic		30.21	26.25 (3)	23.64	23.64	23.64	23.64	23.64
Auction		..	..	..	20.24	20.24	20.24	20.24
Free		25.51	23.09	22.88	24.75	24.45	24.51	22.47
Curb		..	..	..	..	..	20.83	10.81
Australia (4)	£ (A)	396.1	375.9	319.9 (5)	319.8	319.8	320.0(6)	320.0(7)
Bulgaria	Leva	1.185	1.185	1.192(8)	..	0.3472	0.3472	0.3472
Canada	Dollar							
Official		99.40	99.60 (3)	90.09	90.09 (9)	90.50 (10)	99.50	99.50
Free New York buying rate		..	..	85.11	90.50	93.28	92.00	91.66
Chile	Peso							
Government		5.163	5.163	5.163	5.136	5.136	5.136	5.136
Preferential		4.008	4.003	4.016	3.984	3.984	3.984	3.984
Official		3.478	3.241	3.231	3.215	3.215	3.215	3.215
Banking		..	..	..	..	..	..	2.320(11)
China	Yuan							
Official		30.03	30.03	30.03	5.000	0.0298	0.0083	5.000(12)
Open market							0.0011(13)	0.833(14)
Curb in Shanghai (15)		..	7.716	5.531	0.0741(16)	0.0155	0.0007	0.800(12)
Czechoslovakia	Koruna	3.463	3.421	3.408(17)	1.994(18)	1.994	1.994	1.994
Denmark	Kroner	21.74	20.33	19.30	20.88 (19)	20.79	20.79	20.79
Finland	Markka	2.145	2.047	2.026	2.026(20)	0.7353	0.7353	0.7353
France	Franc							
Official		2.860	2.642(3)	2.278	2.011(21)	0.8382	0.8382	0.4657(22)
Free								0.3238(22)
Average								0.3820(22)

EXCHANGE RATES[1] *(Continued)*

(U. S. cents per unit of national currency)

	Unit	*1938*	*1939*	*1940*	*1945*	*1946*	*1947*	*1948*
Germany (23)	Deutsche mark	40.08	40.10	40.02	..	..	..	30.00 (24)
Greece	Drachma							
Without certificates		0.8850	0.8000	0.6623	0.1992 (25)	0.01992 (26)	0.01992	0.01992
With certificates							0.01198 (27)	0.01034
Hungary (28)	Forint	29.40	28.11	28.69	..	8.455 (29)	8.455	8.455
India	Rupee	36.42	32.97	30.06	30.10	30.11	30.14	30.14
Indonesia	Guilder	54.94	53.19	52.91	..	37.59 (30)	37.59	37.59
Ireland	£	489.0	467.3 (3)	402.5	402.5	402.5	402.75 (6)	402.75
Israel	£ (Is.)	..	..	..	..	..	..	403.0 (2)
Italy	Lire							
Official		5.263	5.200	5.050	1.000	0.4444	0.4444 (31)	0.1739
Free						0.1965 (32)	0.1486	0.1739
Average						0.2725 (32)	0.2062	0.1739
Curb						0.2288	0.1524	0.1616
Japan	Yen	28.50	25.99	23.44	..	..	..	..
Luxembourg	Franc	4.225	4.212	4.212 (33)	2.275	2.275	2.275	2.275
Mexico	Peso	22.12	19.30	18.52	20.58	20.58	20.58	20.58 (34)
Netherlands	Guilder	55.01	53.11	53.02 (35)	37.54 (2)	37.59 (36)	37.59	37.59
New Zealand	£ (N.Z.)	391.52	353.99	320.50	320.50	320.50	320.70 (6)	320.70 (37)
Norway	Kroner	24.45	23.15	22.73	20.12 (38)	20.12	20.12	20.12
Palestine	£ (P)	489.0	446.0	402.5	402.5	402.5	402.5	402.75 (39)
Paraguay	Guaraní							
Official		35.84	31.75	30.21	32.04	32.04	32.04	32.04
Free		30.96	30.96	28.01	29.33 (40)	30.77	30.21	26.74 (41)
Peru	Sol							
Official		22.37	18.76	16.21	15.38	15.38	15.38	15.38
Certificate						..	..	6.878 (42)
Free						14.31 (43)	7.974	7.117
Philippines	Peso	50.00	49.75	49.75	49.75 (44)	49.75	49.75	49.75
Poland	Zloty							
Official		18.87	18.87 (45)	..	..	0.9804	0.9804	0.9804
Premium								0.2488

EXCHANGE RATES[1] *(Continued)*

(U. S. cents per unit of national currency)

	Unit	*1938*	*1939*	*1940*	*1945*	*1946*	*1947*	*1948*
Southern Rhodesia	£ (S.R.)	489.0	467.3(3)	402.5	402.5	402.5	402.75(6)	402.75
Sweden.....	Kronor	25.14	23.99	23.31	23.81	23.81(46)	27.78	27.78
Switzerland	Franc							
Official.....		22.87	22.53	22.69	23.31	23.17	23.17	23.17
Free.....						30.81	26.20	24.88
Turkey	Lira							
Official.....		79.37	78.25	72.57	75.76	75.76(47)	35.36(48)	35.40
Premium.....				53.25	51.28	51.28(47)		
Union of South Africa	£ (S.A.)	481.9	438.9	397.0(49)	398.0(50)	400.5	400.75(6)	400.75
United Kingdom..	£	489.0	467.3 (3)	402.5	402.5	402.5	402.75(6)	402.75
Venezuela	Bolívar							
Official.....		31.35	31.35	31.35	29.85	29.85	29.85	29.85
Free.....		30.67	31.15	28.90 (51)	29.85	29.85	29.85	29.85

NOTES

(1) Exchange rates refer to the official selling rates unless otherwise stated. Averages during periods for which rates were determined in the market by buyers and sellers. For fixed rates, footnotes are used to indicate dates of changes. The rate quoted for any period during which a change occurred is the rate in effect for the major part of the period.

(2) Beginning August.

(3) January/August.

(4) Fiscal year ending 30 June of year stated.

(5) September/June. Average for July/August 1939: 370.2.

(6) Beginning 14 January.

(7) Through 29 September.

(8) January/November.

(9) Through 15 October.

(10) Through 5 July.

(11) Beginning February.

(12) US cents per thousand yuans.

(13) Without certificates.

(14) With certificates. US cents per thousands of yuan.

(15) Before 1947, free market quotations.

(16) Chungking. December averages.

(17) 15 September.

(18) Beginning 1 November.

(19) Through 20 August.

(20) 2.026 January-May; 1.159 1 June-27 July; 0.828 28 July-16 October; 0.7353 thereafter.

(21) Through 25 December.

(22) February/December.

(23) 1938-1940 unit: Reichsmark; 1948 unit: Deutsche mark (Western zones).

(24) Beginning 20 June.

(25) Beginning 5 June.

(26) Beginning 26 January.

(27) October/December.

(28) 1938-1945 unit: pengö; after 1946 unit: forint.

(29) Beginning 1 September.

(30) Beginning 7 March.

(31) Through July.

(32) May-December.

(33) January/9 May.

(34) Through 21 July. Average August/December 14.60.

(35) Beginning 1 July.

(36) Beginning 27 February.

(37) Through 19 August; 396.96 thereafter.

(38) Beginning 16 May.

(39) Through 15 May.

(40) 4/31 December.

(41) Beginning 25 May.

(42) September/December.

(43) June/December.

(44) 20/31 December.

(45) January/May.

(46) Through 13 July.

(47) Through 3 September.

(48) Through May.

(49) Beginning 9 January.

(50) Through 28 July.

(51) Through June.

The following information refers to countries for which national income statistics are available, but which are not included in this table:

British Guiana: unit: BWI dollar. 4.800 BWI dollars equals £1.

Jamaica, Barbados, Granada, St. Vincent: unit: £.

Ceylon: unit: 1 rupee equals 1 s. 6 d.

Dominican Republic: unit: (until October 1947) US $; thereafter: 1 peso equals 1 US $.

Nyasaland: unit: Southern Rhodesian £.

Panama: unit: 1 balboa equals 1 US $.

Surinam (Dutch Guiana): unit: 1 guilder equals 53 US cents.

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