balances for each level of government distinguished in the National Accounts.

A disaggregated derivation of output by industry using an imbedded input-output system has been an important feature of this type of model. The key to the disaggregation of industry output is the disaggregation of final demand. As will be seen from the detailed discussions of the subsequent sectors, the level of detail is substantial in all areas of final demand. In particular, the foreign trade sector of TEM has over forty expenditure categories for each of imports and exports which are further disaggregated into trade with the U.S. and with other countries.

As in the other CANDIDE-class models, the input-output system is used to derive final demand prices consistent with import prices and industry factor incomes. One important extension of this treatment in TEM is the use of substantial industrial disaggregation of both taxes and subsidies. Another extension is the endogenous determination of domestically-derived export prices.

TIM contains an extensive elaboration of the energy flows, particularly of oil and gas, in the economy. This extension to TDI is important because it allows the easy translation of alternative energy price and tax regimes into alternative scenarios for the Canadian economy.

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September 1982