

the more important tasks before the conference will be an analysis of the 1948 summer training program, in which 2500 Reservists took part, and the planning of the 1949 program. Besides providing an opportunity for com-

manding officers to place suggestions and problems before authorities at Naval Headquarters, the conference will allow those attending to exchange ideas with their colleagues.

## CHANGES IN CANADIAN ECONOMY, 1926-1947

**"NATIONAL ACCOUNTS" REPORT:** The fluctuations in Canada's annual output of goods and services over the 22 years from 1926 to 1947 are strikingly illustrated in figures contained in the annual report "National Accounts, Income and Expenditure" released September 24 by the Bureau of Statistics. The report contains for the first time balancing tables of the nation's income and expenditure back to 1926; previously published totals covered only the years back to 1938.

Between 1928 and 1933 Canadian production, measured at market prices, dropped 42 per cent, from \$5,985 million to a depression low of \$3,468 million, the report shows. Apart from a slight recession in 1938, the gross national product moved steadily upward after 1933; but by 1939, the last pre-war year, it was still six per cent below the 1928 level.

During the war years, production rose enormously, reaching \$11,887 million in 1944. The following two years were marked by a slight levelling off, but in 1947 the value of goods and services produced reached an all-time high of \$13,375 million, an increase of 123 per cent over 1928, and of 139 per cent over 1939.

### VALUE OF PRODUCTION

These figures, the Bureau points out, measure price changes as well as changes in the real volume of production, and it is essential to bear this fact in mind in interpreting the figures. For example, the value of production increased by 139 per cent between 1939 and 1947, while prices generally, as indicated by the cost-of-living index, rose approximately 33 per cent. Consequently, part of the increase of 139 per cent is due to price increases. Nevertheless, it is clear that the real volume of goods and services produced approximately doubled between 1939 and 1947. On the other hand, between 1946 and 1947 the gross national product increased by approximately 13 per cent, while the cost-of-living index rose about 10 per cent. Consequently the increase in real goods and services produced was relatively small.

In 1947, a phenomenally high level of investment in Canada in plant, equipment, housing and inventories of \$2,884 million absorbed 22 per cent of total output. This compares with a very low level of investment spending of \$116 million during the depth of the depression in 1933 which accounted for only three per cent of total output. In 1928, during the height of pre-war prosperity, investment spending was \$1,146 million, or 19 per cent of the total.

The tremendous expansion in output during the war years was absorbed to a large extent by government spending for military purposes; in 1944 government spending of \$5,075 million accounted for 43 per cent of total output. By 1947, government spending had dropped sharply to \$1,481 million or 11 per cent of total output. This compares with expenditures of \$589 million in 1928 and \$724 million in 1939, 10 per cent and 13 per cent of total output, respectively.

Personal expenditure on consumer goods and services was at a pre-war peak of \$4,383 million in 1939. Thereafter it dropped sharply, reaching a low point of \$2,848 million in 1933 -- a decline of 35 per cent. Because total expenditure dropped even more sharply, by 42 per cent, the proportion of total expenditure accounted for by consumer spending increased from 74 per cent in 1929 to 82 per cent in 1933.

Between 1939 and 1944, personal expenditure rose steadily from \$3,861 million to \$6,300 million, an increase of 63 per cent. However, total expenditure rose even more sharply; and consequently consumer spending accounted for only 53 per cent of the total in 1944 as against 69 per cent in 1939. Personal expenditure continued to increase after 1944, and in 1947 reached \$8,888 million, or 66 per cent of total expenditure.

### PERSONAL INCOME

Personal income received by Canadians from all source -- earned or unearned, and including income received in kind as well as in cash -- was at its highest pre-war levels in 1928 and 1929, when it totalled \$4,547 million and \$4,532 million, respectively. Thereafter, it dropped rapidly to a low of \$2,758 million in 1933, a decline of approximately 39 per cent. Between 1933 and 1939 personal income rose steadily, reaching \$4,291 million in the latter year. Personal income increased rapidly during the war, and in 1947 reached an all-time high of \$10,279 million, an increase of approximately 140 per cent over 1939. The Bureau points out, however, that these figures must be interpreted in the light of rising or falling prices, which affect the purchasing power of the dollar.

Personal direct taxes absorbed only one per cent of personal income in 1928. This proportion increased during the thirties, and reached a high of nine per cent during the war years 1943 to 1945. In 1946 and 1947, the proportion declined to approximately eight per cent.

**TO DROP COMMISSIONS:** A few young Reserve Army officers recently admitted as Cadets to the Royal Military College, Kingston, will be asked to voluntarily relinquish their commissions, it was stated in Ottawa this week.

Such measures are necessary, military authorities explained, in order that all Cadets attending the College will be of equal standing.

It is unlikely any Reserve officers now enrolled as Cadets will object to the ruling. Upon graduation they will be fully qualified for commissions in either the Active or Reserve forces of the Army -- possibly in a higher rank than that which they now hold.

**ARMY OFFICERS TO STUDY FRENCH:** An eight months' course in French language training will get under way October 4 for a large number of officers at Army Headquarters, Ottawa. For many, the course will be simply a continuation of classes terminated last May when the first French language course ever conducted at Headquarters ended. At that time 125 officers were attending French classes.

Students will be required to attend classes for an hour four mornings weekly, do homework assignments and complete exercises in the French language. For purposes of instruction they will be divided into two groups -- those with little or no knowledge of French and those who can speak or understand it "un petit peu".

**ROCKCLIFFE C.O.:** The appointment of G/C M.G. Doyle, as commanding officer of RCAF Station, Rockcliffe, Ont., replacing W/C R.C. Davis, O.B.E., of Medicine Hat, Alta., who has become the Director of Operational Requirements at Air Force Headquarters, Ottawa, was announced September 27 by the Hon. Brooke Claxton, Minister of National Defence.

**ARMoured CORPS MEETING:** The Royal Canadian Armoured Corps Association (Cavalry) will hold its 26th annual general meeting in the Chateau Laurier hotel, Ottawa, October 8-9.

Among the business to be discussed is a notice of intention to amend the by-laws so that the word "Cavalry" will be dropped from the name of the Association.

Guest speaker will be Major-General William G. Livesay, CB, Commanding General, the Armoured Corps School and Centre, United States Army, Fort Knox, Ky.

**WHEAT MARKETING:** Reflecting the swelling volume of deliveries of wheat from farms in the Prairie Provinces, stocks in store or in transit in North America at midnight on September 16 totalled 126,121,000 bushels, an increase of 32,628,000 bushels over the September 9 figure and 22,425,000 bushels higher than on

the same date last year, according to figures released by the Bureau of Statistics.

Deliveries of wheat from farms in the Prairie Provinces during the week ending September 16 advanced to 34,480,000 bushels from the preceding week's total of 31,489,000 bushels. During the elapsed portion of the present crop year deliveries aggregated 107,022,000 bushels compared with 81,093,000 in the similar period of the preceding crop year.

**FUR FARMS REVENUES:** Revenues of fur farms in 1946 amounted to \$9,284,000, down 23 per cent from the 1945 high figure of \$12,030,000, states the Bureau of Statistics. The capital value of land, fur animals and equipment was \$27,888,000, up from the 1945 total of \$24,554,000, and almost double the 1939 value of \$14,346,000. During the year there were 6,797 fur farms in Canada as compared with 6,590 in 1945. Individuals owned 5,892 of the farms in 1946, while 837 were owned in partnership and 68 by joint stock companies.

During the year, 548,800 pelts were taken from fur bearers, comprising 174,766 fox skins, 373,324 mink, and 710 other types. Pelts sold numbered 340,569, of which 126,414 were fox skins and 213,810 mink, the remainder being fisher, fitch, marten, nutria and raccoon. Total value of pelts sold was \$6,784,681. Fur-bearing animals were sold to the value of \$2,499,634.

Exports of raw furs in 1946 totalled \$30,928,459, of which \$7,159,470 was the value of mink pelts, beaver \$6,261,587, fox \$5,760,725, and muskrat \$5,061,602. Raw furs were imported to the value of \$17,706,785, of which Persian Lamb accounted for \$5,834,128.

**BREAD PRICES:** Bakers who have not increased their bread prices since the beginning of last November may now apply to the Wartime Prices and Trade Board for consideration, according to a Board announcement of September 28.

When the subsidy on flour was discontinued a year ago bread was released from price control and there was an immediate upward adjustment of prices.

In some sections of the country an additional increase of one cent a loaf occurred in January, and in others during subsequent months. On the other hand, many bakers had not increased their bread prices since September-October, 1947.

In August of this year bakers' costs were increased by reason of the removal of the remaining subsidies on shortening, and those bakers who had not increased their prices since November 1st were placed in a disadvantageous position.

It is to meet this inequality that the Board is now prepared, on application and on demonstration of financial need, to authorize an increase of not more than one cent a loaf above the prices in effect on November 1, 1947.