

siderable deduction must be made therefrom for the purpose of keeping the national capital engaged in production unimpaired, before the remainder can be placed at the disposal of individuals. Machinery that is either obsolete or obsolescent must be replaced, buildings and other equipment kept in a good state of repair, etc. In other words, full and adequate provision must be made out of the year's products for the annual depreciation of the equipment used in their production before any part of that product can be allocated to individuals. On this basis, probably not more than 90 p.c. of the annual value of the productive activities of the Dominion is annually available for consumption as the national income. The national income of the people of Canada in 1929 was thus in the neighbourhood of \$5,465,000,000. (See also entry "National Income" in the index.)

Difficulties in Differentiating between the Branches of Production.—

There is an increasing demand for a survey of production that will differentiate as between the more important branches and at the same time give a purview of the whole which will be free from overlapping. This is somewhat difficult to present with clearness, in view of the varying definitions that attach to industrial groups from different points of view. For example, brick, tile and cement are frequently included in "mineral production" as being the first finished products of commercial value resulting from the productive process; frequently, however, they are regarded as "manufactures" in view of the nature of the productive process—either allocation being correct according to the point of view. The tables show the total values of all commodities produced in Canada in the latest years; the values are given as in the producers' hands.

"Gross" and "Net" Production.—The values of products are shown under two headings, namely, "gross" and "net" "Gross" production shows the total value of all the individual commodities produced under a particular heading. "Net" production represents an attempt to eliminate the value of materials consumed in the productive process. For purposes of ordinary economic discussion, the net figures should be used in preference to the gross, because of the large amount of duplication which the latter includes on account of the necessity of making the individual items self-contained.

Interpretation of Items.—The primary industries of agriculture, fishing, forestry, mining, etc., are separated in this statement from the secondary or manufacturing processes. The close association between the two and the overlappings that are apt to occur have already been pointed out. As further explaining the procedure that has been followed in drawing up the tables, the following notes are appended:—

Agriculture.—Dairy factories are included under this heading; farm dairy products (gross) include the milk consumed whole and sold to dairy factories, and the butter, etc., made on the farm.

Forestry.—Forestry production is understood to consist of the operations in the woods as well as those of sawmills and pulp-mills, the latter being limited to the making of first products such as lumber, lath, shingles, pulp and cooperage stock.