

**Subsection 2.—National Income and Income Tax Statistics.**

The national income of Canada is necessarily less than its national production, a total for which is suggested in the general survey of production on pp. 163-169 of this volume. If, as there pointed out, there is no reason to suppose that those whose activities are not connected with the production of "form utilities" are less "productive" in the broad sense of the term than others, the total value of the production of 1929 must have been not less than \$5,900,000,000.

In order to arrive at the figure of national income, however, certain heavy deductions from the above amount must be made—deductions especially connected with the maintenance of the industrial equipment of the country—providing not only for depreciation but for obsolescence and replacement by new and improved apparatus of production. Altogether, the charges under this head may have been not less than \$400,000,000. This would leave the 1929 income of the Canadian people at somewhere in the neighbourhood of \$5,500,000,000.

**Incomes Assessed for Income Tax in Canada.**<sup>1</sup>—In those countries of the world where an income tax has been established for a considerable time the figures of the assessed income have been generally accepted as furnishing a guide both to the amount and to the distribution of the total national income by classes. Estimates of the national income, based upon income tax statistics, have been published, for example, in Great Britain and in the United States.

In Canada, the income tax is a newer thing than in either of the above-mentioned countries; also, in a newer country than either, incomes are to a greater extent received in kind. Both of these considerations render it improbable that so large a percentage of the total national income of Canada is brought under the notice of the income tax authorities as in Great Britain or the United States. Nevertheless, the data collected by the Income Tax Branch of the Department of National Revenue in the course of its administration of the income war tax, are significant both with regard to the total income assessed and with regard to the distribution of that income among various classes of the population, as well as by size of income groups.

Table 34 shows the number of individuals and corporations paying income tax, with the aggregate incomes on which they were assessed, for the fiscal years 1921-1931, while Tables 35 and 36 show, respectively, the incomes assessed and the amount of income tax received, by provinces, for the fiscal years ended 1927 to 1931. Tables 37 and 38 show the amount of income tax paid during the last four fiscal years, classified according to income classes and occupations, respectively.

<sup>1</sup> This material has been revised by the Income Tax Branch of the Department of National Revenue.