

Yet the labour of the housewife, performed in her own house, must be left out of account as one of the imponderables, however valuable it may be in fact. For the estimate of the national income to be of any practical use it must be based upon the conventions and practices of the existing economic system.

Again, fluctuations in the general level of prices, which have been so great in the past few years, have necessarily affected the money value of the national income. In these circumstances, it is absolutely essential that any estimate of the national income should be definitely stated as for a particular year, so that the national income for each year may be related to the price levels prevailing in that year and corrected by the price levels of that year. Thus, when the official index number of wholesale prices is taken to correct the estimate of the money value of the national income for the decline of prices, it is found that \$66.70 bought on the average as much in commodities in 1932 as \$95.60 bought in 1929. Then, if the money value of the national income had declined by one-half in these three years, the correction for the drop in prices would reduce the decline in the *real* national income of commodities and services to 28.3 per cent, on the assumption that the prices of services rendered declined proportionately with the prices of commodities included in the index number of wholesale prices. Thus on the assumption that the money value of the national income in 1932 was only one-half of that of 1929, the *real* national income would be nearly 72 per cent of that of 1929. Much might be said here on the effect of falling prices in discouraging the actual production of commodities and the rendering of services, thus reducing the *real* national income, and conversely on the effect of rising prices in stimulating the actual production of commodities and rendering of services and thus increasing the *real* national income.

The industries concerned with the production of *form* utilities employed in 1931 approximately five-eighths of all gainfully occupied Canadians and produced commodities to the net value of approximately \$2,105,000,000 in 1932, as shown in the General Survey of Production at pp. 232-233 of this volume. Then, on the assumption that the remaining approximately three-eighths of the gainfully occupied Canadians who are engaged in the transportation and communications industries, in wholesale and retail trade, in finance and in personal and professional service, are proportionately as productive on the average as those who engage in the production of *form* utilities, we attain a total figure of what labour, assisted by capital, has presumably been able to produce in the course of a calendar year. This figure has for the past twelve years been published in the Dominion Bureau of Statistics' Annual Survey of Production, and in the Canada Year Book.

On the basis of the annual Census of Industry and the occupational distribution of the population as ascertained at the Decennial Censuses of 1921 and 1931, the grand total value of the national production in each year from 1920 to 1932 inclusive has been approximately estimated as follows: 1920, \$5,523,000,000; 1921, \$4,215,000,000; 1922, \$4,520,000,000; 1923, \$4,696,000,000; 1924, \$4,643,000,000; 1925, \$5,178,000,000; 1926, \$5,600,000,000; 1927, \$6,101,000,000; 1928, \$6,342,000,000; 1929, \$6,072,000,000; 1930, \$5,150,000,000; 1931, \$4,000,000,000; 1932, \$3,403,000,000.