

their income tax returns. Indeed, the income tax authorities of Canada do not expect them to do so.

Any difficulties experienced in expressing the total income of an individual as a single figure are multiplied a million-fold in any attempt to express the total of the national income as a single figure. The individual and corporate incomes which are to be combined into this grand total *without duplication* are of such a heterogeneous character that any figure which may be given as the grand total of the national income must include some margin of error.

The Influence of Changes in the Price Level on National Income.—Fluctuations in the general level of prices, which have been so great in the post-war period (see p. 791), have necessarily affected the money value of the national income. Under these circumstances, it is 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 prevailing price levels 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 in prices, it is found that \$71.60 bought on the average as much in commodities in 1934 as \$95.60 bought in 1929. Then, whereas the money value of the national income had declined by 37.3 p.c. in these five years, the adjustment for the drop in prices would reduce the decline in "real" national income of all commodities and services to 16.3 p.c., 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 1934 was about 63 p.c. of that of 1929, the "real" national income would be nearly 84 p.c. of the total for 1929.

Estimate of National Income as Based upon the Survey of Production.—The industries concerned with the production of *form* utilities employed, in 1931, approximately five-eighths of all gainfully occupied Canadians, and they produced commodities to the net value of about \$2,381,000,000 in 1934, as shown in the Survey of Production at pp. 214-215 of this volume. Then, on the assumption that the remaining 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 latest fifteen 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 of commodities and services in each year from 1920 to 1934, 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, \$5,335,000,000; 1931, \$4,100,000,000; 1932, \$3,370,000,000; 1933, \$3,193,000,000; 1934, \$3,808,000,000. The totals for 1930-32 were revised in accordance with the findings of the decennial census, while those for 1933, as published in the 1936 edition of the Canada Year Book, have been changed due to revisions in the figures for net production and in the provincial distribution of population.