

stitutes a very important part of the income of most rural families, who, to a much larger extent, consume the commodities which they themselves produce. For this reason, indeed, comparisons between the incomes of urban families and rural families are often misleading, through not allowing for the non-money income of the latter. Certainly most people never think of their non-money income as income at all, and would never consider putting the rental value of their owned homes into their income tax returns. Indeed, the income tax authorities of Canada do not expect them to do so.

Difficulties experienced in expressing the total income of an individual as a single figure are multiplied a thousand-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 computation of the national income involves research by two different avenues of approach.

(1) Statistical data on an annual basis is collected by the Bureau of Statistics for most of the groups engaged in commodity production, trade and leading branches of transportation. The gross revenue received by each of these groups is taken as the starting point. The cost of raw materials, process supplies, fuel and purchased electricity is the first deduction. It is necessary also to subtract the miscellaneous expenses including rent, insurance, taxes, etc. The collection of miscellaneous expenses by the census of industry was discontinued after 1921, but the relationships established in the first three years of the post-war period are proving valuable as a basis of estimate. A special questionnaire has also been distributed to obtain a sample of miscellaneous expenses for the years 1929, 1933, and 1936.

Having deducted the miscellaneous expenses, the residue may be called the 'gross national product'. The next step is to estimate depreciation and depletion as a percentage of the fixed capital employed by the several groups. The gross national product less depreciation and depletion is regarded as the national income. It is not feasible to apply this treatment to all industrial groups of the Bureau's classification, but a growing proportion of the field is amenable to the method. Under the heading of real estate in the finance group, an estimate of the imputed rent of owned houses is included. The international balance of dividend and long-term interest payments is also deducted as a final adjustment.

(2) A second approach is by a summation of payments made to individuals. The normal source of information for this method is the tabulation of income tax returns. Such information forms the basis of the excellent estimates of national income prepared for the United Kingdom and the United States. However, the considerable expense involved in tabulation has militated against such elaborately detailed presentation of this material in Canada.

The census of industry furnishes data of the amount of salaries and wages paid, and wage data for decennial census years are available through the population census for each of the main industrial groups. The indexes of wage rates published by the Department of Labour and the monthly survey of employment conducted by the