

Bureau, are useful in estimating earnings for the intercensal years where specific information is not otherwise available (see p. 767). The numbers of persons working on own account and employers as reported by the decennial census is valuable for estimating the withdrawals of entrepreneurs. Volumes X and XI of the Census Reports present pertinent data regarding wholesale and retail trade and a portion of the service field.

A sample of dividend and bond interest payments may be compiled from an examination of company accounts. The net amount of dividends paid by privately-owned companies as well as by corporations with public investment interest is also available. It is possible to estimate from census data the total amount of net rentals paid on dwellings. The contribution of government to the national income consists of the net interest paid on the funded debt and the salaries and wages, service and social pensions, compensation payments, and relief.

The aggregate paid to individuals is adjusted for business gains or losses. The latter signify the additions to or deductions from surplus by business concerns. After making the adjustment, the result is an estimate of the national income which should conform closely to the total prepared by the alternate production method.

The Bureau's present solution is to make two independent estimates of the national income for each year. One estimate is derived from a study of the separate industrial fields in which the income originates, the second is mainly an aggregate of incomes received by individuals with an adjustment for business gains or losses.

The computation of the national income by the two-fold method outlined above is in process as the Year Book goes to press, but is not yet ready for publication and the estimates based on the Survey of Production appearing in the edition of 1937 are not being extended pending the revision.

**Income-Tax Assessment as a Measure of National Income.\***—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 the United Kingdom and in the United States.

The War introduced the income tax into Canada in 1917. Under the Income War Tax Act, the returns of the incomes of individuals and corporations are filed in the year following the earning of the incomes. Further, since the fiscal year ends on Mar. 31, the bulk of the receipts from the income tax usually comes in during the first two or three months of the next following fiscal year. Thus the income tax received in the fiscal year ended Mar. 31, 1937, represents, in the main, income tax collected on 1935 income, and the income tax collected in the fiscal year ended 1936 represents, in the main, 1934 income. It is important that these facts should be kept in mind when considering income assessed in different years. Further, the particular provisions of the income tax existing at any particular time, and the amendments extending or contracting the scope of the income tax by raising or

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\* This material has been revised by the Income Tax Branch of the Department of National Revenue.