

Canada's national income is a composite of volume and price movements and is the best measure of the cyclical fluctuations that have taken place since the end of the War of 1914-18. The total, due largely to inflated prices, reached a high level of nearly \$4,600,000,000 in 1920 and fell off nearly 24 p.c. during the following year. The recovery was practically continuous until 1929 when a maximum of \$5,273,000,000 was recorded. The low point of the depression was experienced in 1933, when the national income was only 52 p.c. of the total for 1929. A temporary setback of 1938 (see Table 1) merely interrupted the advance, which has been markedly accelerated during the years of the present war.

The long-term trend of income has been slightly upward during the 22 years from 1919 to 1940, despite the unprecedented setback of the thirties when idle plant and personnel were so much in evidence. If the period of observation were extended back to 1911, the upward trend would be much more pronounced.

Comparison with the national income of the United States is made in Table 1 in order to assist in placing the Canadian income in proper perspective. The position of the United States is more favourable in regard to per capita income and income per gainfully occupied, the money income per capita averaging about 37 p.c. higher in the United States. One reason for this is the greater relative predominance in Canada of the primary activities especially agriculture. Tertiary industries including transportation, trade and service are, collectively, of greater relative importance in the United States. The average return in the service groups broadly interpreted is normally much greater than in primary activities.

1.—National Income of Canada, Compared with an Estimate for the United States, 1919-1940

Year	CANADA					UNITED STATES		
	National Income		Population	National Income Per Capita	National Income per Gainfully Occupied Person	National Income ²	Population	National Income Per Capita
	Amount ¹	Index Number 1935-1939 = 100						
1919.....	3,816,113	93.5	8,311	459	1,219	65,904	105,003	628
1920.....	4,597,853	112.6	8,556	537	1,404	76,385	106,543	717
1921.....	3,507,220	85.9	8,788	399	1,144	60,304	108,208	557
1922.....	3,670,975	89.9	8,919	412	1,177	61,513	109,873	560
1923.....	3,847,059	94.2	9,010	427	1,209	72,912	111,537	654
1924.....	3,865,446	94.7	9,143	423	1,224	73,380	113,202	648
1925.....	4,238,980	103.8	9,294	456	1,320	77,845	114,867	678
1926.....	4,507,335	110.4	9,451	477	1,359	82,802	116,532	710
1927.....	4,738,360	116.1	9,637	492	1,371	81,397	118,197	689
1928.....	5,269,467	129.1	9,835	536	1,455	83,396	119,862	696
1929.....	5,272,619	129.2	10,029	526	1,410	83,326	121,526	686
1930.....	4,452,419	109.1	10,208	436	1,201	68,858	123,077	559
1931.....	3,579,535	87.7	10,376	345	1,037	54,479	124,039	439
1932.....	2,812,905	68.9	10,510	268	875	39,963	124,840	320
1933.....	2,722,504	66.7	10,633	256	868	42,322	125,578	337
1934.....	3,147,164	77.1	10,741	293	976	49,455	126,373	391
1935.....	3,371,254	82.6	10,845	311	1,014	55,719	127,249	438
1936.....	3,827,255	93.8	11,950	350	1,116	64,924	128,052	507
1937.....	4,367,704	107.0	11,045	395	1,217	71,513	128,823	555
1938.....	4,291,158	105.1	11,152	385	1,207	64,200	129,823	495
1939.....	4,553,662	111.5	11,267	404	1,242	70,829	130,878	541
1940.....	5,404,154	132.4	11,381	475	1,356	77,809	131,954	590

¹ Preliminary estimates of \$6.5 billion, \$7.5 billion and \$8.8 billion for 1941, 1942 and 1943, respectively, are subject to change. Due to revision in process since 1941, estimates are different from those given in Table 43, p. 797, of the 1942 Year Book. ² Statistics from 1919-1928 "National Income and its Composition", National Bureau of Economic Research, New York, p. 310, Table 43; from 1929-1942 "Survey of Current Business", U.S. Dept. of Commerce, March, 1943, p. 22, Table 14.