

which pays no dividends or bond interest, is somewhat more important on this score in relation to the Canadian economy than the productive classification indicates.

The predominant position of commodity production is at once apparent. Primary production, including processing activities closely associated with forestry, fisheries and mining, accounts for 25.3 p.c. of the income in the period under review. Secondary production, including construction, manufactures, *n.e.s.*, and custom and repair, is in second place with 19.9 p.c. Trade occupies third position, accounting for 12 p.c., while service, government, transportation and finance follow in the order named. Primary production, affected by price changes, recorded an early decline from 1929 to 1932, while secondary production was more resistant to influences of depression. It is evident that finance responds tardily to cyclical fluctuations. Transportation corresponds closely with the fluctuations of the general total. The operations of government follow a more independent course than any of the other main groups, the correlation between the income originating in government and the national income being obviously low during the period. The fluctuations of trade and service conformed closely to the general pattern. Service, however, showed a lag during the declining phase from 1929 to 1933.

2.—Income Originating by Industrial and Service Groups, 1919-40

NOTE.—See footnote 2 to Table 1 regarding estimates for 1941 and 1942. See text p. 799 for brief explanation of the seven groups. The payments of dividends and interest to individuals in Canada holding stocks and bonds of external enterprises are deducted from the entire outward flow of such payments and the final column is obtained by deducting the balance from the total income originating.

Year	Primary Production	Secondary Production	Transportation	Trade	Finance	Government	Service	Totals, All Industries	
								Before— After—	
								deduction of International Balance re Dividends and Interest	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
1919....	1,260,862	902,697	391,423	492,496	291,125	223,793	428,017	3,990,413	3,816,113
1920....	1,419,552	1,053,594	443,868	579,478	341,148	448,189	483,824	4,769,653	4,597,853
1921....	877,661	725,877	407,800	479,428	367,506	403,179	436,769	3,698,220	3,507,220
1922....	954,311	727,223	421,799	470,704	406,054	454,709	427,375	3,862,175	3,670,975
1923....	1,020,989	776,977	450,764	490,253	422,575	451,359	446,142	4,059,059	3,847,059
1924....	1,084,323	729,422	433,994	479,878	469,113	413,236	457,180	4,067,146	3,865,446
1925....	1,304,252	771,327	458,106	529,880	459,917	456,725	468,373	4,448,580	4,238,980
1926....	1,281,530	870,802	504,683	589,520	501,388	489,143	487,969	4,725,035	4,507,335
1927....	1,336,185	968,562	515,752	607,785	508,404	518,972	509,200	4,964,860	4,738,360
1928....	1,503,212	1,081,550	567,026	655,811	600,746	561,529	534,893	5,504,767	5,269,467
1929....	1,404,724	1,192,546	562,930	673,849	592,333	554,664	563,473	5,544,519	5,272,619
1930....	1,032,534	1,063,398	499,934	575,040	581,684	453,000	553,629	4,759,219	4,452,419
1931....	729,992	835,542	392,544	479,032	524,941	396,783	514,001	3,872,835	3,579,555
1932....	568,421	584,136	317,900	379,008	342,369	427,060	469,311	3,088,205	2,812,905
1933....	599,464	532,440	284,756	366,186	308,807	431,303	440,048	2,963,004	2,722,504
1934....	782,226	601,769	313,248	414,593	361,228	453,035	460,665	3,386,764	3,147,164
1935....	863,014	682,767	324,948	442,192	367,188	453,849	476,996	3,610,954	3,371,254
1936....	996,093	777,365	351,954	481,888	402,266	586,330	497,159	4,093,055	3,827,255
1937....	1,180,851	931,127	382,492	538,426	428,670	634,254	531,884	4,627,704	4,347,704
1938....	1,151,825	922,636	368,247	540,767	424,999	616,981	543,703	4,569,158	4,291,158
1939....	1,271,858	977,868	405,797	539,611	425,849	661,551	551,098	4,833,662	4,553,662
1940....	1,442,915	1,186,341	467,008	591,366	423,650	981,459	596,415	5,689,154	5,404,154

Classification of Payments to Individuals.—The approach to national income from the viewpoint of payments to ultimate consumers involves many subsidiary studies relating to Canada's manpower. The volume of production, and consequently income, depends largely on the numbers at work.