

The main flow of money is from productive enterprise to individuals. Personal income is received in return for participation in the productive process. Salaries, wages and other labour income is paid for work performed and investment income in the form of dividends, interest and rents, is the remuneration for furnishing capital. The withdrawals of working proprietors represent a return from both work and ownership. Another important component is the undistributed profit or loss, retained by enterprise but regarded as an addition to, or deduction from, the income of the owners.

The size of the income of an individual measures his power of demand for goods and services. His consequent control over the economic activity of society depends upon the relative magnitude of the income.

Remuneration of employees in the form of salaries and wages, amounting to nearly 58 p.c. of the total, was the chief income payment during the period. If living allowances of so-called unpaid labour and other labour income are added, the employee's share would be raised to 61 p.c. Salaries and wages were nearly maintained in the second half of the period compared with the first, while a marked increase was shown in "other labour income" including direct relief.

