

## 3.—Personal Income, 1926-47

(Millions of Dollars)

Year	Salaries, Wages and Supplementary Labour Income	Deduct Employer and Employee Contributions <sup>1</sup>	Military Pay and Allowances	Net Income of Agriculture and Other Unincorporated Business	Interest, Dividends and Net Rental Income of Persons <sup>2</sup>	Transfer Payments from Government <sup>3</sup>	Total Personal Income
1926.....	2,299	-16	7	1,170	486	77	4,023
1927.....	2,465	-18	7	1,156	508	84	4,202
1928.....	2,658	-20	7	1,246	564	92	4,547
1929.....	2,839	-25	8	1,028	584	98	4,532
1930.....	2,750	-26	8	840	595	121	4,288
1931.....	2,386	-23	8	540	559	165	3,635
1932.....	1,971	-21	8	402	460	170	2,990
1933.....	1,791	-20	8	355	428	196	2,758
1934.....	1,969	-21	8	464	416	230	3,066
1935.....	2,093	-22	9	564	437	241	3,322
1936.....	2,221	-25	9	651	435	248	3,539
1937.....	2,494	-29	9	756	489	281	4,000
1938.....	2,506	-32	9	790	525	262	4,060
1939.....	2,583	-34	32	891	570	249	4,291
1940.....	2,944	-37	193	991	611	224	4,926
1941.....	3,586	-68	386	1,135	637	197	5,873
1942.....	4,251	-110	641	1,753	715	226	7,476
1943.....	4,746	-124	910	1,659	757	216	8,164
1944.....	4,908	-132	1,068	1,962	806	263	8,875
1945.....	4,915	-135	1,117	1,822	847	552	9,118
1946.....	5,322	-147	340	2,154	888	1,113	9,670
1947 <sup>4</sup> .....	6,235	-166	83	2,354	949	824	10,279

<sup>1</sup> Employer and employee contributions to social insurance and government pension funds.<sup>2</sup> Includes charitable contributions from corporations.<sup>3</sup> Excludes interest on public debt.<sup>4</sup> Revised preliminary.

**Disposition of Personal Income.**—Personal direct taxes were only approximately 1 p.c. of personal income in the years 1926 to 1928. This percentage increased during the 1930's and reached a high of 9 p.c. during the war years 1943 to 1945.

In 1928, 93 p.c. of personal income was spent and 6 p.c. was saved. The percentage of current income spent increased rapidly during the depression. In 1930, 95 p.c. of personal income was spent and only 3 p.c. was saved. During the following four years more was spent than was available out of current income after payment of taxes indicating that, for the economy as a whole, people had to supplement their current incomes by liquidation of assets or by borrowing. In the years 1932 and 1933 negative saving reached its height. Consumer expenditure plus payment of direct taxes exceeded personal income by 6 p.c. Saving became positive again in 1935 but it was not until 1939 that it exceeded the 1928 level. During the War, as a result of shortage of goods coupled with intensive Government campaigns for saving, the percentage of current income saved rose rapidly to a high of 20 p.c. in 1943 and 1944. The percentage then began to decline and in 1947 it approximated again the levels of 1928 and 1939.