

THE SOCIAL INCOME OF ÉIRE, 1938-40.

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A paper read before the Society on Thursday, 26th October, 1939, carried the investigation up to 1937, with provisional estimates for 1938 and conjectures for 1939. Of the seven heads into which monetary income was there divided, five (fisheries, distribution, personal service, housing and income from abroad) must provisionally be taken at the figures established for 1937-38, since the limits of our additional knowledge and the scope of this present note do not admit radical revision. In the case both of agriculture and industry (accounting in 1937 for almost exactly half the total social income), where variations are more directly calculable, the continued steep upward movement of prices has necessitated an upward revision of the previous tentative figures.

AGRICULTURAL OUTPUT AND INCOME, 1938-40

	OUTPUT				INCOME			OUTPUT		
	(Value: £ mil)				(£ mil)			Volume 1929=100		
	Crops	Live- stock	Other	Total	Mater- ials	Boun- ties	Net	Crops	Live- stock	Total
1938: original	8.6	36.8	3.7	49.2	8.1	0.6	40.5	120	93	98
: revised	9.0	40.5	4.0	53.5	8.7	0.6	44.2	115	94	97
1939	9.7	46.9	4.2	60.8	9.4	0.3	51.1	122	96	100
1940 con- jectural ¹	—	—	—	74.2	13.5	0.2	63.5	—	—	100

Note: ¹Assuming no change in the volume of production, a 22 per cent. increase in agricultural prices (the difference between the monthly average of 1940 and that of 1939) and a 44 per cent increase in cost of materials (ditto) and allowing for the fertilizer as well as the export subsidy.

After ten years, the physical volume of output, the level of agricultural prices and the size of net agricultural income approximate in 1939 to their magnitudes of 1929.

The complete Census of Industrial Production for 1938 writes up the figure formerly adopted of £36.1 mn. to £36.9 mn., much the greater part of the swelling being due to a new estimate of the net output of the very small concerns, a rather hazardous figure. The 1939 Census covered only the industries producing transportable goods (two-thirds of the 1938 total), and showed an expansion from £24,652,000 to £27,181,000. Making careful estimates of the probable net output of the excluded service industries (laundry, etc., building and construction; gas, water and electricity), on the basis of company reports and unemployment returns, suggests a contraction from £6,747,000 to £6,447,000. Various circumstances, principally the decay of motoring, combined to reduce the output of very small concerns. Provisionally, then, £38.6 mn. may be taken as the figure for 1939. For 1940 the reports on 14 industries are already available, and show an expansion from £17,077,000 to £19,044,000 (83 per cent of the increase falling to the share of net output other than salaries and wages, and betraying the dominating influence of rising prices; even in 1939 net output rose by 10 per cent. but the volume of

production only by 5 per cent), £877,000 of this increase being accounted for by the emergency refining of imported raw sugar. Of the eighteen groups of industries not yet published, there is good reason to expect declines, some of them severe, in the cases of bricks, etc.; grain-milling; vehicle building and assembly, fertilisers; bread-making; butter, etc., and no reason to expect any noticeable expansion in the remaining twelve. Balancing these several factors, we may tentatively assume a figure of £39.5 mn. for 1940. This may turn out too high, as the average number of claimants to Unemployment Insurance Benefit at the end of each month rose from 21,232 in 1939 to 23,318 in 1940.

The index of volume of industrial production (or rather of industrial work done) rose from 100 in 1929 to 102 in 1931, mounted steeply to 143 in 1936 and has since then kept much about the same level—146 in 1937, 142 in 1938, 149 in 1939.

The assumption that the remaining constituents of the total income suffered changes which on balance cancel out is not unreasonable on the basis of our present knowledge; it yields total income for 1938 at £160.8 mn., 1939 at £169.4 mn., and 1940 at £179.7 mn. (highly conjectural). the index (base 1929=100) is 100 for 1938, 105 for 1939, 111 for 1940. After nine years our total monetary income recovered the level of 1929, a level already passed in the United Kingdom, with all its depression, by 1935.

PRICE INDICES (BASE 1929=100).

	1938	1939	1940
Agricultural (weight 1)	80.3	86.6	105.7
Industrial (weight 2)	96.2	98.3	115.0 ¹
Imports (weight 1)	85.0	85.0	120.3
Personal Services (weight 2)	100.0	100.0	100.0
TOTAL INDEX	93	95	109

Note: ¹ Conjectural.

As formerly suggested, this index is biased in a downward direction: it runs even lower than the official Cost of Living Index, which is also biased in a downward sense.

INCOME INDICES, 1926—40.

	1926	1929	1931	1933	1936	1938	1939 ¹	1940 ²
Money Income ..	95	100	91	83	95	100	105	111
General Prices ..	103	100	87	83	87	93	95	109
Real Income (1) ..	92	100	105	100	109	108	111	102
Cost of Living ..	105	100	91	86	91	98	101	116
Real Income (2) ..	90	100	100	97	104	102	104	96

Notes: ¹ Provisional; ² Conjectural.

Allowing for the bias of the price indices, it cannot be confidently stated that the ten years preceding the present war saw any measurable improvement in the real social income of this state.