

Section 4.—National Wealth and Income.

Subsection 1.—National Wealth.

There are several methods of computing national wealth, *i.e.*, the aggregate value of the public and private property within the nation apart from undeveloped natural resources. Perhaps the most familiar of these methods is that of working back to capital values through income tax returns, but this can be applied only in countries where small incomes are assessed for income tax. A second method is that of estimation from probate returns, the value of the estates of deceased persons being regarded as representative. A third is that of a complete census, based upon a canvas of the individual. In the accompanying tables a fourth method, namely, the so-called "inventory" method, is employed; it consists in totalling the amounts known from various sources to be invested in agriculture, manufactures, dwellings, etc.

Whatever method is used, difficulty arises when we try to reduce all the things which go to make up wealth (things which once created are not themselves subject to violent change) to a common denominator. Estimates of national wealth must always be expressed in terms of the national currency and thus normally in terms of gold dollars. Yet the purchasing power of the currency unit is always fluctuating and since 1929 has increased by more than 50 p.c. in terms of wholesale prices. Even in 1930, the average index number of wholesale prices was down by nearly 10 p.c. from 1929, while in December of that year the average index number of wholesale prices was 19 p.c. lower than in the same month of 1929.

The effect of such drastic reductions in values is first felt by the commodities which are being currently produced and, through these commodities, the dollar value of production is diminished and consequently the national income of a country where most people are producers. Ultimately a persistent decline of this character affects the capital values of real estate, buildings, machinery, etc., and its influence is then felt in a reduction in the national wealth as stated in dollars. The 1929 estimate, which is considered to represent values in that year with approximate accuracy, is the latest which has been compiled by the Bureau of Statistics and the table below shows the national wealth on that basis.

The survey for 1929 placed the estimated aggregate of the tangible wealth of the Dominion, exclusive of undeveloped natural resources, at \$30,840,000,000 as compared with \$29,630,000,000 in 1928, \$27,668,000,000 in 1927, \$26,691,482,000 in 1926, \$25,673,174,000 in 1925 and \$22,195,302,000 in 1921. These figures, however, are not exactly comparable, in view of certain improvements and additions that have been made in the method of estimation and in the items included. An increase of \$1,210,000,000 was shown in the national wealth in the year 1929, and of over \$8,600,000,000 in the eight years 1921 to 1929.