

#### 4.—National Wealth and Income.

**National Wealth.**—There are several methods of computing national wealth, *i.e.*, the aggregate value of 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 this can be applied only in countries where incomes are thoroughly appraised. 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 canvass of the individual. In the accompanying table 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., etc.

It must be understood that statistics of this character are suggestive and indicative rather than strictly accurate. The concept of wealth is distinctly intangible, and there are numerous elements of uncertainty in a calculation of this nature. It should also be pointed out that Table 35 covers the year 1920 (the latest year for which the statistics are available), and that in 1920 the money values of commodities reached their peak. Estimates for subsequent years will doubtless show considerable decreases in several of the items.

##### 35.—Estimated National Wealth of Canada, 1920.

1. Farm Values (land, buildings, implements and machinery, and live stock, Census 1921).....	\$6,592,351,789
2. Mines (capital employed, 1921).....	559,514,154
3. Forests (estimated value of accessible raw materials, pulpwood, and capital invested in woods operations).	1,244,343,100
4. Fisheries (capital invested in boats, gear, etc., in primary operations; capital in secondary operations included under “Manufacturing Machinery”).....	29,893,213
5. Central Electric Stations (capital invested, 1920).....	518,997,000
6. Steam and Electric Railways (investment in road and equipment).....	2,868,000,000
7. Canals (amount expended on construction to March 31, 1921).....	136,942,734
8. Shipping (estimated from 1918 Census).....	100,000,000
9. Telegraph and Telephone Systems (cost of plant)...	175,000,000
10. Urban Real Property (assessed valuations and exempted property, and estimate for undervaluation by assessors, and for roads, sewers, etc.).....	5,944,000,000
11. Manufacturing Machinery (Census of Industry, 1920)	583,328,516
12. Stocks of Raw Materials and Manufactured Goods (Census of Industry, 1920, for amount in manufacturers’ hands; estimate for amount in dealers’ hands).....	1,316,000,000
13. Stored Products of Farm, Fisheries, etc. (estimated from grain trade statistics, cold storage, etc.).....	400,000,000

14. Household Furnishings, Clothing, Carriages, Motors, etc. (estimated according to procedure in U.S.A. and Australian Census Bureaus).....	\$1,144,000,000
15. Specie (held by Government, Chartered Banks, and estimated for public holdings).....	202,010,106
16. Imported Merchandise in store (estimate based on imports during year).....	668,460,510
<b>Total Estimated National Wealth, 1920.....</b>	<b>\$22,482,841,122</b>

**National Income.**—The national income of Canada is necessarily less than its national production, a total for which is suggested in the general survey of production on pages 216-220 of this volume. If, as pointed out there, there is no reason to suppose that those whose activities are not connected with the production of "form-utilities" are less "productive" in the broad sense of the term than others, the total value of the production of 1920, the year of peak prices, must have been not less than \$5,000,000,000.

In order to arrive at the figure of national income, however, certain heavy deductions from the above amount must be made—deductions especially connected with the maintenance of the industrial equipment of the country—providing not only for depreciation but for obsolescence and replacement by new and improved apparatus of production. Altogether, the charges under this head may have been not less than \$500,000,000. This would leave the 1920 income of the Canadian people at somewhat over \$4,500,000,000, which, it must be remembered, is the national income at "peak" prices.

In countries having an income tax, a certain approximation to the national income may be obtained by taking the aggregate of the incomes assessed for the purposes of the income tax, making allowances for evasion and estimating the income of those whose incomes fall below its lower limits. Thus, in the United Kingdom, it was estimated that before the war half of the national income went to the great masses of people whose incomes were below the lower limit of the income tax—then £160 per annum.

Similarly, in the United States, where the lower limit of the income tax is the same as in Canada, the statistics of incomes assessed for income tax have been used in the study of the aggregate income of the nation, together with material based on statistics of production.

In Canada, the income tax is a newer thing than in either the United States or the United Kingdom; also, in a newer country than either, incomes are to a greater extent received in kind. Both of these considerations render it improbable that so large a percentage of the national income of Canada is brought under the review of the Income Tax authorities as is the case in the other countries mentioned. In the fiscal year ended March 31, 1921, 3,696 corporations and 190,561 individuals paid income tax on incomes aggregating \$912,410,429.<sup>1</sup> Statistics of income for calendar years 1921 and 1922 assessed in the fiscal years 1922 and 1923 are given by provinces in Table 36. The distribution of these incomes by classes of income is given in Table 37, which shows that in the fiscal year ended 1923, 281,182 individuals and 6,010 corporations paid income tax. The former figure may perhaps be compared with the 1,901,227 families enumerated at the census of 1921.

<sup>1</sup> See Hansard of June 22, 1922, pp. 3362-3.

**36.—Amount of Income Assessed for the purposes of the Income War Tax, by Provinces, for the fiscal years ended March 31, 1922-1923.**

Provinces.	Amount of Income Assessed.	
	1922.	1923.
	\$	\$
Prince Edward Island.....	3,707,988	2,774,649
Nova Scotia.....	51,057,049	36,613,618
New Brunswick.....	35,238,694	29,309,120
Quebec.....	362,078,282	286,349,563
Ontario.....	598,456,379	481,223,381
Manitoba.....	134,039,184	88,634,308
Saskatchewan.....	89,942,132	57,513,057
Alberta.....	66,912,332	51,539,223
British Columbia.....	119,716,747	91,938,579
Yukon.....	1,380,383	1,626,667
<b>Total.....</b>	<b>1,462,529,170</b>	<b>1,127,522,165</b>
Adjustments.....	-	35,114,240
<b>Total.....</b>	<b>1,462,529,170</b>	<b>1,092,407,925</b>

**37.—Number of Individual and Corporate Taxpayers, by Size of Incomes and Amount of Taxes paid, under the Income War Tax Act, fiscal years ended March 31, 1922 and 1923.**

Income—Class.	Individuals.				Corporations.			
	1922.		1923.		1922.		1923.	
	No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.
		\$		\$		\$		\$
\$1,000 to \$6,000....	154,675	4,022,056	146,178	3,414,475	-	-	-	-
\$2,000 to \$6,000....	116,212	5,557,503	113,359	4,616,287	3,023	665,723	2,407	546,081
\$6,000 to \$10,000...	11,840	3,981,303	13,030	3,603,536	1,508	926,596	1,052	699,621
\$10,000 to \$20,000..	5,404	5,460,899	6,069	5,212,937	1,359	1,848,227	959	1,478,950
\$20,000 to \$30,000..	1,290	3,629,108	1,365	2,997,914	690	1,581,102	437	1,148,752
\$30,000 to \$50,000..	667	4,295,530	801	3,810,107	597	2,351,149	413	1,682,344
\$50,000 and over...	496	12,699,832	380	8,212,112	1,109	31,724,339	742	22,987,549
<b>Total.....</b>	<b>290,584</b>	<b>39,646,231</b>	<b>281,182</b>	<b>31,867,368</b>	<b>8,286</b>	<b>39,097,136</b>	<b>6,010</b>	<b>28,543,297</b>
Unclassified amount.....	-	824,778	-	490,046	-	110,668	-	269,113
<b>Total.....</b>	<b>-</b>	<b>49,471,009</b>	<b>-</b>	<b>32,357,414</b>	<b>-</b>	<b>39,207,804</b>	<b>-</b>	<b>28,812,410</b>
Refund.....	-	650,412	-	667,997	-	344,046	-	790,264
<b>Total.....</b>	<b>-</b>	<b>39,820,597</b>	<b>-</b>	<b>31,689,417</b>	<b>-</b>	<b>38,863,758</b>	<b>-</b>	<b>28,022,146</b>

## II.—CURRENCY AND BANKING, LOAN AND TRUST COMPANIES.

### 1.—Canada's Monetary System.

Early trade in Canada was carried on by means of barter, which at times resulted (in transactions between Indians and fur traders) in the adoption of beads, blankets, etc., as recognized media of exchange. The practice, however, was purely a local one. Later, during the French period in Canada, while barter still formed perhaps the most important means of exchange between individuals and merchants, a more or less satisfactory currency system developed. Beaver and other furs, tobacco and wheat were at times used as substitutes for currency, the last named being at one time a legal tender. A rather inadequate system was that which developed during the period of French military occupation, when playing