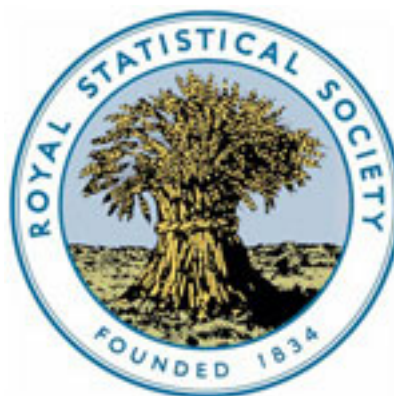


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The Private Wealth of Australia, and its Growth as Ascertained by Various Methods, Together with a Report of the War Census of 1915 by Commonwealth Statistician, Commonwealth Bureau of Census and Statistician

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## REVIEWS OF STATISTICAL AND ECONOMIC BOOKS.

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1.—*The private wealth of Australia, and its growth as ascertained by various methods, together with a report of the war census of 1915.* Prepared by the Commonwealth Statistician, Commonwealth Bureau of Census and Statistics, Melbourne, 1918. 196 pp., 8vo.

The Commonwealth War Census Act, 1915, empowers the Governor-General of Australia by proclamation during the continuance of the present war to cause to be taken such censuses as appear to be desirable. Acting within this authority, two distinct censuses were undertaken in August, 1915, one, applying only to males between 18 and 60, dealing with questions similar to those discussed in connection with the National Registration Act in Great Britain in that year, and the other, a census of wealth and income, applying to all persons aged 18 or upwards possessed of property, or holding property on trust, or in receipt of income, and to other persons, companies, &c., specified by proclamation. A summary of the results of both censuses is given in the interesting volume under review, while in addition a complete general description of the methods of computing material capital wealth is set forth. As a consequence the book should be of great value to statisticians and economists during the next few years, when questions concerning computation of wealth are likely to be very much to the fore.

A question of particular interest in the general census was that in which each person was asked to state (1) whether he was in good, bad or indifferent health, and (2) whether he was blind or deaf or had lost a limb. On the basis of the replies to this question, the male population (18–60) was classified as "Fit," "Doubtful" or "Unfit." For the whole Commonwealth, the percentages falling within each

category were 62.5, 31.5 and 6 respectively. The Officers of the Defence Department stated that the proportion of acceptances among applicants for enlistment was not very wide of 65 per cent., and it is inferred that the number classed from their own descriptions as "fit" may be assumed, with a fair degree of accuracy, to represent the number of such males between 18 and 60 who were medically fit for service. It is interesting to note that the proportion of men of enemy parentage but not enemy birthplace describing themselves as "fit" was considerably and significantly below the proportion for the whole population. On the other hand, the corresponding proportion for men of enemy birthplace was significantly above the figure for the whole population. The proportion described as "fit" among married men was much higher than among single men (56 per cent. as against 42) in spite of the more advanced average age of the former.

The total aggregate net income (including that of institutions and non-residents) for the year ended June 30, 1915, was about 258,000,000*l.*, of which about 240,000,000*l.* was the income of private individuals resident in the Commonwealth. The corresponding net assets were about 1,643,000,000*l.* and 1,216,000,000*l.* respectively, the average income and assets of residents being 48*l.* and 246*l.* The aggregate net assets recorded in respect of non-residents was only 8,000,000*l.*

The most novel matters treated in the book are those contained in the chapter on the Correlation of Wealth and Income. The correlation tables given in that chapter associating income with assets are probably the first of such tables which have been compiled in respect of a large unselected population, and offer admirable material for the statistician who would devise a law of taxation involving equality as between capital and income. The ratio of income to assets is highest for the group with incomes between 100*l.* and 150*l.*, the average income being 123*l.* and assets 210*l.*, and ratio 59 per cent. For persons with incomes over 5,000*l.* the corresponding ratio is 8.7 per cent. (for females alone 7.9 per cent.). As but very little of the income of females receiving over 5,000*l.* per year is likely to arise from earned income, we may infer that the average rate of interest on capital invested in Australia approaches 8 per cent. In connection with the correlation of assets and income a short description is given of the frequency surface of income and wealth, to which the term "plutoprosodic surface" is applied.

A considerable proportion of the book is devoted to the estimation of wealth from probate returns. The methods of Vacher, Rumelin and Turquan for determining the interval of devolution, that is the average interval between the inheritance and the passing on of an estate, are fully discussed. These methods lead to sensibly different results, and are definitely abandoned by the Australian authorities in favour of the method based upon the rate of devolution. This method takes into account the ages, rates of mortality and estates of persons dying, and in an epoch in which mortality is gener-

ally falling and wealth steadily increasing is clearly superior for estimating capital wealth to that which multiplies the value of estates devolving in one year by the average interval between the passing of such estates. A very thorough discussion of this method is given.

The actual inventory taken at the Census of 1915 revealed the wealth of the Australian Commonwealth at 1,620,000,000*l.*, of which nearly 70 per cent. represented land and improvements, live stock being the next most important class of property at 6 per cent. This figure is equivalent to 327*l.* per head of the population. Coghlan's estimates of the wealth of the Commonwealth in 1890 and 1903 were 1,019,000,000*l.* and 982,000,000*l.* respectively. It is of interest to note that by the rate of devolution method, the wealth for 1915 was estimated at 1,643,000,000*l.*, this differing from the value based upon the inventory by but little more than 1 per cent.

The final section of the book is devoted to the estimates of the wealth of other countries which have from time to time been made. From this the following table has been prepared :—

*Estimates of national wealth.*

Country.	Date.	Total national wealth.	National wealth per head of population.
		(Million <i>£.</i> )	<i>£</i>
United States ....	1900	18,188	239
	1904	22,008	267
	1912	38,577	404
United Kingdom ....	1885	10,037	279
	1903	15,000	355
	1908	13,762	313
France.... ....	1886	8,000	209
	1908	11,400	290
Germany .... ...	1911	15,000	230
	1890	1,019	328
Australia .... ...	1903	982	282
	1915	1,620	327

Owing to the different methods employed in these estimates the comparison of them is of little value. In the case of the estimate made by Giffen of the wealth of the United Kingdom in 1903, the figures were based on what have been termed "well informed guesses."

In the light of the controversy which is likely to take place in the near future on the relative value of a capital levy and of heavy income tax for the payment of war expenses, the information and criticism given in this book will be extremely useful, and it would be well if a condensed form of it dealing generally with the methods and results of estimating capital wealth could be issued.

E.C.S.