position. A general idea of the size and composition of the national wealth is essential for the intelligent consideration of many problems, both national and international, and although, in view of the numerous elements of uncertainty in a calculation of this nature, the statistics must be regarded as indicative rather than strictly accurate, when carefully prepared they hold a very important place in a national statistical system.

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 as well as large 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 canvass of the individual. A fourth method, namely, the so-called "inventory" method, is often employed.* The estimate of Canada's wealth herein presented is based on the "inventory" principle, *i.e.*, an attempt is made to secure for the nation an approximation of the business man's inventory of his possessions. This method consists in totalling the amounts known from various sources to be invested in agriculture, manfuacturing, dwellings, etc. It does not include the value of undeveloped natural resources but only natural wealth which has been appropriated. For instance, it includes the value of the machinery and other capital equipment used in coal mining but not the unmined coal; the boats used in fishing but not the fish in the sea; the power plants and equipment used in developing water power but not the waterfalls themselves. In the case of forest wealth partial exception is made by the inclusion of accessible raw materials. When making comparison between the different provinces it should be remembered that this method tends to understate the wealth of any section of the country which is rich in mines, fisheries or water power.

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. Yet the purchasing power of the currency unit is always fluctuating and since 1929 had increased at one point (February, 1933) 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 first official estimate issued by the Dominion Bureau of Statistics was for 1921, being based on the census data collected in that year. It placed the national wealth at $22,195,000,000. Later estimates were $25,673,000,000 for 1925 and $27,668,000,000 for 1927. The figures for 1929 as published at pp. 938–939 of the

*An explanation of method and of the background of early estimates of national wealth as applied to Canada will be found in the article "The Wealth of Canada and Other Nations" by R. H. Coats, Dominion Statistician, published in the Journal of the Canadian Bankers' Association, October, 1919.