

having carried 118 constituencies, took office on the resignation of Mr. Meighen, with Hon. (now Rt. Hon.) W. L. Mackenzie King as Prime Minister. One of the outstanding features of the election was the rise of a third party, the Progressives, which, under the leadership of Hon. T. A. Crerar, carried 65 seats in Ontario and the West. Besides these the Labour party elected two members, one in Winnipeg and one in Calgary. On the meeting of Parliament the Progressives renounced the position of official Opposition, to which their numbers gave them a claim; the Conservatives, therefore, under the leadership of Mr. Meighen, constitute the official Opposition in the Fourteenth Parliament.

Provincial General Elections.—In Saskatchewan at a general election on June 9, 1921, the Liberal Government of Premier Martin was returned to power with a slightly diminished majority, carrying 45 out of 63 seats.

In Alberta, at a general election on July 18, 1921, the Liberal Government of Hon. Chas. Stewart was defeated by the Farmers' organization, which secured 38 out of the 61 seats in the Legislature. On August 13, their leader, Hon. Herbert Greenfield, took office as Premier.

In Manitoba, at a general election which took place on July 18, 1922, the Norris Government was defeated, the United Farmers securing a working majority and organizing a government headed by the Hon. John Bracken, formerly principal of the Manitoba Agricultural College.

Acquisition of the Grand Trunk by the Government.—This subject is dealt with in the sub-section on steam railways, pages 527-528.

The Economic and Financial Year.—Throughout the year 1921 the general deflation of prices which had been so much in evidence in the latter part of 1920, continued, though at a slackening rate; indeed, at the end of the year there was a slight upward movement. The Department of Labour's index number of wholesale prices (average prices for 1890-1899=100) fell from 281.3 in January to 230.7 in December (see p. 644), a decline of approximately 18 per cent during the year. The Department of Labour's record of changes in the cost of living in Canada, based upon weighted retail prices (see p. 647) shows a decline from 192 to 156, or 18.75 per cent, between December, 1920, and December, 1921, 1913 prices being considered as 100. These declines were naturally most welcome to urban consumers, who had been very hard hit by the prolonged and rapid increase in the cost of living during the war.

Declining prices were naturally less acceptable to the producers, more especially to those classes of producers who, like the farmers, were most affected thereby. The prices of the commodities which the farmers had to sell declined far more rapidly than the prices of the commodities which they had to buy, this decline being graphically shown on page 273. According to this chart and its accompanying