

table, the average prices which the farmer received in 1921 were 147.5 as compared with 204.9 in 1920 and 252.7 in 1919, average prices for the quinquennium 1909-1913 being considered as 100. To put it in another way, the farmers' selling prices for 1921 were 28 per cent below those of 1920. The farmer, indeed, was not alone in his troubles. Producers of many other primary commodities, among them producers of metallic minerals, such as nickel, copper, etc., suffered in a similar way and for similar reasons, as may be deduced from the statistics of the quantity and value of mineral production, published on page 337.

Prices of manufactured commodities in almost all cases came down less rapidly than those of the raw materials of which they were composed. Thus, in the metals and implements class, the average price of metals fell from 206.8 in January to 168.5 in December, while implements fell only from 271.7 to 245. The disparity was to some extent inevitable, partly because of the lapse of time involved in converting the primary commodity into a finished manufactured article and partly because of the fact that the weekly wage rates of the employees in manufacturing establishments, once fixed, could not readily be altered. (Their average annual receipts, might, of course, be reduced through the unemployment consequent upon a reduced demand for the commodities which they produced). A similar state of affairs obtained throughout the great transportation industry and in coal mining. Even at the time of writing, this disproportion in the deflation in different industries has not been completely corrected.

For the above reasons unsettled and depressed conditions prevailed throughout the business world in 1921. Employment in the manufacturing industries was at a low ebb throughout the year, touching its lowest point (68.7 per cent of the number employed in the same factories on January 17, 1920), at the end of the year. For all industries the index number of employment declined from 90.4 in January to 77.9 in December. Fortunately, during 1922 to date employment has fairly rapidly increased, the index of employment as reported by employers being on September 30, 94.6 (see diagram on page 631).

The depression was also reflected in the volume of financial transactions. The amount of exchanges of the clearing houses of chartered banks in 16 leading cities for the calendar year 1921 was only \$16,811,287,086 as against \$19,588,337,285 in 1920. The deposits of the public in Canada, which had been \$1,950,504,230 on December 31, 1920, were a year later only \$1,781,749,790. Similarly, the bank notes in circulation declined from \$228,758,587 at the former date to \$184,602,546 at the latter. The annual values of building permits issued by 35 cities declined from \$100,679,839 in 1920 to \$94,508,164 in 1921. These declining money values, did not, of course, always represent declining physical quantities. The great decline in the price of commodities was largely, if not mainly, responsible therefor.

The decline in prices was also largely responsible for the lowered values of foreign trade. In the calendar year 1921 the total imports for consumption were valued at \$799,394,598 as against \$1,336,921,021