

III.—PRINCIPAL EVENTS OF THE YEAR 1924.

The Economic and Financial Year.—Taken as a whole, the year 1924 was somewhat disappointing, from the economic point of view. Though record crops had been harvested in 1923, the decline of prices to practically the pre-war level made these crops very generally unremunerative to the producers, whose diminished purchasing power was reflected in the dullness of Canadian manufacturing industries, as was indicated by the falling off in the index number of employment from an average of 94·6 in 1923 to 92·3 in 1924. It should, however, be remembered that the average of this index number was only 87·8 in 1921 and 87·9 in 1922, considerably below the 1924 level.

While imports fell off considerably from 1923, exports remained at a high level throughout the year, which thus showed a favourable balance of trade of no less than \$262,000,000; this large favourable balance enabled the Canadian dollar to remain either close to par or at par in the New York market throughout the year, and brings the resumption of gold payments within the range of practical questions. At the same time, the revenue suffered from the decline in imports.

Prices during 1924 showed two predominating trends. The official index number of wholesale prices, maintained by the Dominion Bureau of Statistics, fell from 156·7 in January to 150·6 in May; thereafter it rose fairly steadily until the end of the year, reaching 160·9 in December, the increase being most rapid from September, as a result of the great advance in the prices of agricultural commodities, owing to the world shortage of the crops. The prices of the chief agricultural commodities, instead of being at or near their pre-war levels, as in 1923, (see diagram on page 261 of this volume) are at the time of writing on a fairly even level with the prices of manufactured goods, so that the economic ship of state is now sailing on a more even keel as between agriculturists and manufacturers.

While business in 1924 was rather dull and the demand for capital was thus somewhat restricted, the supply of capital offered for investment increased, with the result that interest rates showed a material decline during the year. Thus, at the end of 1923, the yield on the 1934 taxable bonds of the Canadian Government was 5·22 p.c., a yield reduced to 4·93 p.c. at the end of 1924. During the year the Canadian people purchased no less than \$346,000,000 of bonds.

The reduction in interest rates in 1924 enabled the Dominion Government to refund maturing loans at a substantial saving in interest charge, thus bringing about a lightening of the heavy burdens which the Canadian people have been bearing since the war.

During the autumn and winter of 1924-25, the influence of higher prices for agricultural products, combined with the improvement in the political situation in Europe and the increasing stabilization of European currencies (at the time of writing the pound sterling is above \$4·79, or only about 7 cents below par, in New York) were leading to the expectation of better business in 1925.

British Empire Exhibition.—On April 23, the British Empire Exhibition at Wembley was opened by Their Majesties the King and Queen, and remained open until Nov. 1. Exhibits were made both by the British Government itself and the Governments of the other parts of the Empire. The Canadian Parliament, in 1923 and 1924, appropriated \$1,400,000 to meet Canada's share of the expenditure, and the following appreciation of the part which Canada played at Wembley appears in Whitaker's Almanac, a widely-known British publication: