

The active employment situation and the increasing prosperity of the country attracted to its shores in 1926 about 135,984 immigrants, as compared with 84,907 in 1925, while 48,601 Canadians returned from the United States with the intention of residing permanently in Canada.

Other evidence of the satisfactory economic position is to be found in the record production of automobiles and chassis, of which some 205,000 were produced in Canada during the year. Railway carloadings during the year totalled 3,258,390 cars, about 9 p.c. more than in 1925; railway earnings were also higher, the net operating revenue of the Canadian National Railways reaching \$46,483,192 as compared with \$32,264,414 in 1925. The savings deposits of the Canadian chartered banks were also at their highest level on record, *viz.*, \$1,372,763,485 at the end of December, 1926, as compared with \$1,318,875,483 a year earlier. The sales of life insurance were also greater in 1926 than in 1925 and the aggregate of life insurance in force in companies licensed by the Dominion Government at the end of 1926 was \$4,609,902,248 as compared with \$4,159,019,848 at the end of 1925—a gain of \$450,882,400 in the year. Perhaps most significant of all, the aggregate of the business transacted by means of cheques drawn against bank accounts in the clearing house centres of Canada—or bank debits—was \$30,358 millions as compared with \$28,126 millions in 1925 and \$27,157 millions in 1924.

Naturally the stock exchanges felt the influence of the increased prosperity and the general optimism regarding the outlook. At the end of the year, the highest level of prices in the history of the exchanges had been attained. The index number of the prices of 31 important industrial common stocks, which had averaged 128·2 in December of 1924, averaged 175·5 in December 1925, and 215·6 in December 1926. (1913 prices = 100.)

One rather remarkable thing about all this expansion was that it was achieved in spite of a declining level of prices. The Bureau of Statistics' index number of the wholesale prices of some 230 commodities, which had averaged 163·5 in December 1925, was only 150·5 in December 1926, after a general decline during the year—a reduction of 8 p.c., which was certainly not due to deflation, for, although our currency was formally placed upon the gold basis only on July 1, 1926, it had in reality been exchanging on practically that basis for a couple of years. Such a rate of decline in prices, though pleasing to consumers, would certainly predispose one to expect a worsening rather than an improvement in general conditions. To some extent the decline was due to the diminished purchasing power of the British public as a result of the general strike and the long-continued coal strike.

The external trade of Canada aggregated \$2,292,281,179 in 1926, as compared with \$2,173,292,143 in 1925 and \$1,878,756,189 in 1924. The increase of \$119,000,000 in 1926 as compared with 1925, was, however, practically all in the imports, which totalled \$1,008,341,911 in 1926 as compared with \$890,193,348 in 1925, while exports were \$1,283,939,268 as compared with \$1,283,098,795. British purchases of Canadian produce fell from \$492,140,387 in 1925 to \$459,236,013 in 1926, while United States purchases fell only from \$472,391,439 to \$465,205,500, leaving the United States as our leading customer in 1926.

**The Dissolution of the Fifteenth Parliament and Election of the Sixteenth.**—The inconclusive character of the general election of October 29, 1925, has already been referred to at p. 1046 of the 1925 issue of the Year Book. Parliament met at the early date of January 7, 1926. The Government was sustained at the first division, and continued to carry on the administration until June 28, when it resigned as a result of the refusal of the Governor-General to accept the