

ment securities in the money markets of London and New York, yet the country suffered severely from the repercussions of the world situation. One of the main elements of the depression was the great and disproportionate decline in wholesale prices throughout the world, affecting more particularly the food products and raw materials which Canada supplies in large quantities to other countries. In December, 1930, the general index number of wholesale prices in Canada, which was fairly representative of those of other countries, stood at 77.8 p.c. of the 1926 average as compared with 96.0 p.c. in the same month of 1929, or a decline of nearly one-fifth in the twelve months.

Agriculture.—In a country such as Canada, where agriculture occupies a large place among the economic activities of the nation, crop yields and prices cannot but affect the general trend of business. The subnormal wheat crop of 1929 adversely affected the earnings of the basic industries such as the railways, lake and ocean freight carriers, and a direct result of the retarded movement of the 1929 wheat crop was the inactivity of the principal harbours and shipping centres. The second phase of the wheat situation consisted in the drastic decline of prices during 1930. One of the chief reactionary factors influencing the social economy of Canada in the period under review was the reduction in the purchasing power of the farmer. The obvious causes were the moderate yields of 1929 and the very low prices obtained for agricultural products.

While the wheat crop of 1930, estimated at nearly 398,000,000 bushels, was less than the bountiful harvests of 1927 or 1928, the gain over 1929 was 93,352,000 bushels or 30.6 p.c. The estimated value of the wheat crop of 1930 was placed at \$174,800,000 compared with \$319,700,000 for the much smaller crop of the preceding year. The average price per bushel was placed at 44 cents for the 1930 crop, compared with \$1.05 for the 304,500,000 bushels harvested in 1929. The value of the principal field crops was estimated at \$631,600,000 in 1930 compared with nearly \$949,000,000 in 1929. The crops of 1930 were grown on an area of 62,215,000 acres compared with 61,207,000 acres in 1929.

Iron and Steel.—The primary iron and steel industry, being a major factor in the expansion of railway and industrial equipment, is an excellent indicator of the trend of general business. Some authorities go so far as to say that the wide fluctuation in the industries of this character is the main cause of the economic cycle, and there is apparent justification for the claim that the wide variation in the operations of the industries concerned with the supply and replacement of industrial equipment is an important element in the alternation of prosperity and depression. Production of pig iron in 1930 at 747,448 long tons was 30.8 p.c. under the record for the industry, which was established at 1,080,000 tons in the preceding year. Production of steel during the year at 1,012,000 tons was 26.6 p.c. less than the 1,378,000 tons made in the record year of 1929. In appraising the meaning of this curtailment, it should be remembered that in 1929 the industry was more actively employed than in any other peace-time year.

Hydro-Electric Power.—The marked development of the hydro-electric resources of the Dominion in progress in the post-war period, was continued throughout 1930, despite the major depression in other lines. New installations brought into operation during 1930 amounted to 397,850 horse-power, bringing the installation in Canada to a total of 6,125,000 horse-power at the end of the