of 379,530 cars in 1930 as compared with 1929 was accounted for as follows: grain and grain products 38,526, live stock 24,204, coal 44,845, lumber 50,080, pulpwood 6,263, pulp and paper 21,367, other forest products 31,883, ore 20,366, merchandise less than carload 46,888, and miscellaneous 100,025. The only enumerated item showing an increase was coke, of which 27,627 cars were loaded in 1930 as compared with 22,710 cars in 1929.

Freight earnings are universally recognized as supplying the great bulk of the revenue of Canadian railways, and a falling off here necessarily has a serious effect on earnings, while passenger earnings have in recent years shown a tendency to decline as a result of the competition of the motor car. Gross revenues of the more important railways amounted to $450,400,000, which was $78,800,000 or nearly 15 p.c. less than in 1929. Net revenues amounted to $72,900,000 compared with $99,900,000 in the preceding year. Despite the recession in operations, the principal railways showed confidence in the future by extensive preparations in perfecting their facilities for efficient transportation and by the betterment of existing lines for the heavier traffic expected during the continued development of the Dominion.

External Trade.—The external trade of Canada was affected in 1930, so far as exports go, by the smaller crops of 1929 and 1930 and the lower prices obtained for them as well as by the general trade depression. Imports were also in smaller value corresponding in trend with the decline in exports and in wholesale prices. Imports in the calendar year 1930 were valued at $1,008,500,000 compared with $1,299,000,000 in 1929. Exports were $905,400,000 compared with $1,208,000,000 in 1929. The balance of trade or excess of imports over exports was consequently $103,100,000 in 1930 compared with $90,700,000 in the preceding year.

Currency and Banking.—As a period of depression draws to a close, finance is normally one of the phases finding itself in a greatly strengthened position. The deflation of stock and commodity prices and a reduction in operations tend to release liquid capital, improving the fundamental position of the banks. Current loans showed a decline of $254,000,000 in 1930, while the recession in notice deposits was only $8,000,000. The surplus of notice deposits over current loans was $277,000,000 at the end of 1930 compared with $32,000,000 at the end of 1929. During 1930 the gold held against Dominion notes increased from $60,400,000 to $93,800,000, while the circulation of Dominion notes declined from $203,900,000 to $175,400,000.

As the interest rate on current and call loans in Canada is fairly well stabilized, the trend of interest rates may be determined by the prices of high grade bonds. The decline in long-term interest rates was one of the most constructive developments in 1930. The rise in bond yields was the best indication of the tight credit conditions in evidence during the greater part of 1929. The high call rates on the New York market had attracted liquid resources from many quarters. Upon the decline of the rate in September and October, 1929, a large proportion of these loans was withdrawn. In December, 1930, the average yield on four Dominion Government bonds was 4·55 p.c. The same bonds yielded an average of 4·91 p.c. in the same month of 1929. The yield on Ontario Government bonds in December, 1930 averaged 4·50 p.c. compared with 4·90 p.c. in December 1929. With current rates in external money markets at the lowest level in years, there were reasons to believe that this factor would ultimately be a powerful stimulus to the recovery from the depression.