

their power to hold the gold in their possession, with the result of further immobilizing the existing gold supply and giving to gold a scarcity value which was very acceptable to the gold producers as tending to encourage production, but was much less satisfactory to the commercial world in general. Thus we find that the aggregate gold value of the recorded international trade of the world, which in 1929 had been in the neighbourhood of \$5 billions per month, was reduced in the last quarter of 1932 to about \$2 billions per month. Under these conditions, the exports of debtor countries were quite inadequate to meet the interest due on their obligations and the result in many cases was defaults occasioning a further decline of confidence in the ability of countries other than one's own to meet their engagements.

While the depression brought the value of world trade in 1932 down to about 39 p.c. of the value of 1929, yet this was largely the result of the scarcity of gold, the quantity of world trade in 1932 being estimated by the League of Nations at 73.5 p.c. of what it was in 1929 as compared with 84.5 p.c. in 1931 and 93 p.c. in 1930. This disproportion between gold values and physical quantities has been mainly responsible for the abandonment of the gold standard by most of the countries of the world, including in recent months the United States. While it is recognized that gold is by far the most suitable commodity for use in settling international balances, it is felt that there is nothing particularly sacrosanct providing that the weight of the gold dollar or the gold sovereign shall remain for all time to come what they were before the War or between 1925 and 1930. The restoration of the gold standard on a modified and equitable basis is one of the objects of the World Economic Conference sitting at London in June, 1933.

For Canada, indeed, and for the other newer countries of the British Empire, the prospects appeared more favourable than for their competitors outside the Empire. The Empire includes the United Kingdom, the largest importer in the world, which, as the result of the Agreements entered into at the Imperial Economic Conference described in the preceding section, admits the great bulk of Empire products free of duty while imposing customs duties upon the products of foreign countries. The Imperial Conference Agreements gave to Canada an assured market in the greatest importing country in the world and thus tended to promote recovery from the depression.

Agriculture.—Although the farm production of 1932 was notably larger than in the previous year, the continued fall in prices much more than offset this advantage and the total value of production declined further. Since prices of farm products continued to fall slightly faster than the prices of goods necessary to the farmer, the purchasing power of the farmer again declined slightly. The gross agricultural revenue of Canada in 1932 is estimated at \$711,898,000 compared with \$814,930,000 in the previous year. The net revenue declined from \$538,192,000 in 1931 to \$428,829,000 in 1932. Acreages under crop increased slightly and there was more uniformity of crop production throughout the country than has been apparent for some years. The western provinces harvested an average wheat crop, which was a large factor in maintaining their farm income, despite lower prices. The average price received by growers for their wheat was 7 to 8 cents lower than for the 1931 crop.

The movement of wheat into world trade has been very slow and there will evidently be a considerable increase in year-end stocks. The more favourable exchange and freight situation has encouraged a better trade in live stock and meats with the United Kingdom. Encouragement is also to be derived from the