

provided work during 1936 for a larger number of men than in the preceding year. Logging showed accelerated activity, the index standing at 265.7 on Dec. 1, 1936, when it was higher than at that date in any other year of the record. Employment in transportation improved slightly in 1936. The merchandising and service divisions reported substantial increases in their personnel, the latest reports showing a higher level of employment than for some years past; the advance was partly a result of a quickened tourist trade. The exception to the general revival was the construction industry in which the decline of relief operations accounted for the smaller volume.

Prices.—During the first half of 1936, the level of wholesale prices was not greatly altered, the steadiness characteristic of the two preceding years being continued. Several fundamental causes contributed toward raising the price level in the later months of the year. The worst drought in many years caused an advance in agricultural crop prices. The reduction in commodity stocks overhanging world markets, the transformation of the gold reserve position due in part to revaluation, and expanding purchasing power accompanying business recovery were potent influences in raising the price level. The increasing expenditure for armament by most countries expanded the demand for many raw materials produced in Canada.

Throughout the decline, terminating in the early months of 1933, raw material prices had fallen more rapidly than those for finished products and the resulting contraction in primary producers' incomes affected business adversely. This disparity in respect of wholesale prices was eliminated in 1936, the index of raw and partly manufactured commodities having been 75.8 in November against 75.5 for fully and chiefly manufactured goods.

Banking.—Following a decline of nearly seven years, current loans placed by the chartered banks recorded moderate advances in the last half of 1936. The most important influences in the delay of the turning-point were the liquidation of indebtedness out of the increased profits of industry, the refinancing carried out by public bodies and other large institutions, and the restricted revenue from agricultural operations, which have absorbed in recent years nearly 30 p.c. of the total of strictly commercial loans and discounts granted in the Dominion. These influences, until the last six months of the year, continued to offset those making for an expansion in bank credit. Notice deposits at the end of December reached the highest level on record at \$1,548 million, as compared with \$1,526 million in January, 1929. With a progressive decline in loans and concurrent expansion in deposits, the banks were obliged to make heavy purchases of securities.

Public Finance.—According to the Budget of 1937, Dominion Government total revenues in the fiscal year ended Mar. 31, 1937, were estimated at \$452,123,000, which represented an increase of \$79,527,000 over 1936. Total expenditures for the same period were \$539,518,000, an increase of \$6,933,000 over the preceding year. Of this amount special expenditures came to \$80,429,000. The deficit amounted to \$87,395,000 as compared with \$159,989,000 in the preceding year. The net debt was estimated at \$3,093,495,000 at Mar. 31, 1937.

Subsection 2.—Other Principal Events of the Year.

The Throne.—The Dominion Representatives to the Coronation of His Majesty King George VI on May 12, 1937, consisted of the Right Hon. W. L. Mackenzie King, M.P., Prime Minister, President of the Privy Council and Secretary of State for External Affairs; the Hon. E. Lapointe, K.C., M.P., Minister of Justice; the Hon. T. A. Crerar, M.P., Minister of Mines and Resources; the Hon. C. A.