

DIAGRAM XI

Index of All
Wholesale
Prices
in Canada
(1926=100)

DIAGRAM XII

Simultaneously with this fall in our General Index of Wholesale Prices, in February 1930, the sub-index of the Wholesale Prices of Canadian Farm Products began to slump catastrophically.

By this time, of course, the consequences of the Great Depression were visible in almost all countries everywhere. The shortage of purchasing power was world-wide.

Since by far the greater part of Canada's annual agricultural production is surplus to domestic needs, and therefore must be sold abroad, it was of course inevitable that from this time onwards (until there should come about a world-wide revival of purchasing power) Canadian farm produce as a whole should be sold "on the bargain counter." When a large proportion of one's customers abroad are insolvent, one cannot sell them otherwise.

Suffering became widespread and general in all our industrial cities. For when the farmers were thus deprived of their purchasing power, the market in Canada for all manufactured products was sharply reduced. Great numbers of industrial workers were driven to seek relief from the municipal authorities. Nevertheless, there is little doubt that the severest incidence of the Depression was experienced by farmers—and by the grain growers especially.