

However, the prices of grains have remained fairly constant for some months now, having risen somewhat from a lower level in September, 1931. The world trade in cereals on a quantity basis in the past year has been up to the average of more prosperous former years, and it is expected that the end of the crop year will see the large world surplus of recent years considerably reduced, a factor which should prevent further serious declines in the price level of these commodities. Given good and well distributed crops in Canada during the coming season, there is the prospect for a definite improvement in the position of the agricultural industry.

Forest Products.—The production of the products of the forest, both in the form of lumber and of pulp and paper, has been greatly curtailed during the current depression. The cut of lumber, which in 1929 amounted to 4,741,941 M ft. b.m., declined to 3,989,421 M ft. b.m. in 1930. While figures are not yet compiled for 1931, an indication of a further serious decline in the latest year is given by the reported quantities of timber scaled in British Columbia, which were 2,940 million bd. ft. in 1929 and declined to 2,332 million bd. ft. in 1930 and to 1,719 in 1931. Pulp and paper production in Canada expanded greatly in the post-war period due to the immense resources of spruce forests and readily available water powers. The productive capacity of Canadian newsprint mills increased from 2,630 tons per day in 1920 to 12,630 tons per day in 1930. Newsprint production was 2,725,331 tons in 1929 and 2,497,452 in 1930, while a preliminary estimate for 1931 indicates a further decline to 2,220,775 tons. The decrease in building operations and the decline in newspaper and other forms of advertising, as a result of the depression, have curtailed the demand for the products of these industries. Furthermore, a large proportion of the annual Canadian production of these forest products is normally exported, so that the industries have been affected by the serious decline in world trade and in world prices. A disturbing factor in the world markets for agricultural and forest products in recent years has been the great increase in the quantities of these commodities exported by Russia. This reappearance of Russia as a large exporter in direct competition with Canada has seriously reduced both the quantities exported and the prices received by Canadian exporters of these goods, and has been an important element in causing the present curtailment of production in Canada.

Mineral Production.—Canada's mining industry has been developed to the point where, especially in the field of metallic minerals, her productive capacity is far beyond her own domestic requirements and she is in consequence dependent upon world markets. She has, therefore, suffered from the severe curtailment of buying and price declines in those markets; yet her mining industry has shown a remarkable degree of stability under these adversities. It is true that the total estimated value of mineral production has declined from \$310,850,246 in 1929 to \$279,873,578 in 1930 and \$227,456,365 in 1931, or by 28 p.c. in two years. But, had the prices obtained in 1929 continued during 1930 and 1931, it is estimated that the decline due to reduced quantities produced would have amounted to only 9 p.c. Declines in prices have been very great, especially in silver and base metals. Reductions in the quantity produced have also occurred in these metals, in coal, asbestos and other non-metallic mineral products, but, with the exceptions of nickel, asbestos, coal and gypsum, the reductions have not been large and have been partially offset by the large increase in gold, while the production of copper, zinc, petroleum and some minor products, was also greater in 1931 than 1929. The value of gold produced in Canada has increased from \$39,082,005 in 1929 to \$55,715,120 in 1931 and present developments indicate a further increase during the coming year.