

improvement of prices since the late months of 1932. The wholesale all-commodity index on a 1926 base rose from 64.0 in December 1932 to 66.9 in May 1933, while the index of farm products rose from 42.7 to 51.2 in the same period, thus giving one more instance where farm prices rise first and most rapidly as the country moves out of depression.

**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 1930 amounted to 3,989,421 M ft. b.m., declined to 2,497,553 M ft. b.m. in 1931. While figures are not yet compiled for 1932, 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 2,332 million bd. ft. in 1930 and declined to 1,710 million bd. ft. in 1931 and to 1,442 in 1932. 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 2,497,952 tons in 1930 and 2,227,052 in 1931, while a preliminary estimate for 1932 indicates a further decline to 1,907,566 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 re-appearance 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 is in excellent condition to take advantage of any rise in the price of metals. During no time in recorded history have the prices of copper, lead and zinc and silver been so low as in the past year and at no time in Canadian history has Canada been better able to produce these metals; large metallurgical plants with the latest equipment were about completed when the decline in prices began. That they have been able to operate successfully is due in large part to efficient management and to successful low-cost metallurgical treatment. Continuous development work has maintained the ore reserves and operating companies are in a position to enlarge their outputs at the first indication of improvement in demand. In 1932 there was a decrease in quantity and a larger decrease in value in all metals except gold and in nearly all non-metallic minerals. The drop in prices of all other metals has been accompanied by a corresponding increase in the price of gold. The exchange situation has also assisted the gold mines and they have been able since September, 1931, to sell the product under extremely favourable conditions. In 1929, Canada's total mineral production was \$310,850,246; in 1931 it had declined to \$228,029,018 and in 1932 to \$182,320,150, a drop of 41 p.c. from 1929. On the other hand, gold production rose from a total of \$39,861,663 in 1929 to \$63,061,103 in 1932, an increase of 57 p.c., and the impetus gained by its increase in value, enhanced by the premium, has led to the development of new properties and the discovery of new reserves in old mines. All these factors indicate a larger production of gold during the next few years.