

Agriculture.—It is calculated that the principal field crops yielded over one-third more than in 1937, but in interpreting the significance of this statement it must be recalled that the crops of that year were at a minimum for the post-War period. The increased exportable surplus favoured railway and shipping interests and increased the volume of the export grain trade with consequent beneficial results. The recovery in production, however, was not fully reflected in proportionately greater net income. Increases in supplies and reduced demand combined to cause a steep decline in farm product prices.

The net value of agricultural production in 1938 was placed at \$728,000,000 compared with \$679,000,000 in the preceding year. Field crops were worth a gross of \$528,860,000, which was \$27,400,000, or 5 p.c., below the estimated value of the output of 1937. The low yield of that year and the reduced prices of 1938 resulted in successive reductions in the value of the crops of the two years. Cattle and hogs slaughtered during the year showed declines of 5.6 p.c. and 17.5 p.c., respectively, but the abundance of feed grains and fodder was an important factor as the year drew to a close. While prices were low, the availability of feed in substantial quantities was of decided advantage to the producers of live stock and live-stock products. The oat crop amounted to 371,000,000 bushels, an increase of almost 103,000,000 bushels over 1937. The dairy situation was dominated by the large stocks of butter on hand. Production increased sharply in 1938 due to relatively high prices early in the year. The dairy industry continued to show expansion and total milk production was estimated at close to 17,500,000,000 pounds.

Mining.—The mining industry advanced to a new high level, showing a gain of 2.6 p.c. in the volume of production and 1.8 p.c. in employment as compared with 1937. The gain in production was not sufficient to offset the decline in base metal prices, the total value having been about \$440,600,000 against \$457,400,000 in the preceding year. The excellent showing in the face of business recession clearly demonstrates the significance to Canada of the diversified nature of the production. The returns from the metal group would have been less impressive but for the notable improvement in the output of gold, and the almost three-fold increase in the output of petroleum which offset much of the loss in value recorded by some of the principal minerals of the non-metallic group.

Forestry.—Owing to over-stocking in the closing months of 1937 in anticipation of an increase in prices, and the considerable decline in consumption by United States publishers due to economic reaction, the output of newsprint at 2,624,580 tons showed a decline of 28 p.c. from the high level of 1937. The value of newsprint exports was \$104,600,000 against \$126,500,000, a decrease of 17.3 p.c.

The world's manufacture of rayon yarn doubled between 1932 and 1937, resulting in an increased demand for Canadian wood-pulp. The wood-pulp industry, however, showed reaction in 1938, responding to reduced demand due to the war activities of Japan and world-wide economic reaction. Exports of pulp of various kinds declined from 17,414,317 tons to 11,080,742 tons.

The lumber industry in Eastern Canada was beset with difficulties during 1938. Exports of planks and boards totalled 1,667,000,000 feet valued at \$35,900,000, against 1,858,000,000 feet valued at \$45,400,000 in 1937. The lumber industry of British Columbia, however, set a record last year with a new maximum in exports to the United Kingdom. Shipments to that market were 741,000,000 feet compared with 648,000,000 feet, the previous record established in 1937. Total shipments from the province to overseas markets were 1,036,000,000 feet against 999,000,000 in 1937.