

ages of raw materials, and prices consequently showed remarkable stability after an initial rise in the early months of hostilities. The wholesale price index rose less than five points from September to April and the cost of living has recorded little or no change since November, 1939.

Agriculture.—The volume of crop production in 1939 (142 p.c. of the crop year of 1913-14) reached the highest level since 1931 and the gross value of all agricultural production was estimated at \$1,171,000,000. The increase was due chiefly to a return of favourable crop conditions in Western Canada, particularly in Saskatchewan. The Canadian wheat crop totalled 490,000,000 bushels compared with 360,000,000 bushels in 1938 and it is estimated that the carry-over will be sufficient to offset any shortage should the crop of the present year be below average.

Following the favourable feed conditions of 1938, live-stock production for 1939 was at a high level. Output of hogs showed a gain of 14 p.c. as compared with 1938, while cattle marketings were 10 p.c. greater. Some decline from the high levels of 1939 was noted in marketings in the first quarter of the present year, but statistics for April indicate that the forward movement has been resumed. Butter production is now considerably in advance of 1939 levels and efforts are being made to compensate for the loss to Britain of Danish and Netherland supplies. Similarly, cheese output has been increased in the early months of 1940.

The effects of the war on agriculture have been somewhat uneven. While prices obtained for Canadian farm products rose, on the average, nearly 6 p.c. in the first eight months of hostilities compared with one year earlier, certain restrictions imposed by importing countries have operated to the disadvantage of such products as tobacco, apples, and canned fruits and vegetables, which are regarded at present as non-essentials by the allied importing countries. However, it is anticipated that the stimulus of war industries and large governmental expenditures will be reflected in increased demand for these farm products both here and abroad. Prices of farm products have increased more rapidly than prices of goods that the farmer must purchase, with consequent improvement in his net position.

Mining.—Canada's mineral production, valued at \$470,000,000, reached a new high in 1939, a gain of 10 p.c. over the preceding year. Metal prices have been largely pegged under government purchase plans (see p. 303) and the industry is being called upon to play a foremost part in the present struggle; it is able to produce abundant supplies of a greatly diversified list of minerals most essential to war industries.

New output records were established during 1939 in eleven metals and minerals. Iron ore was produced on a commercial scale for the first time in 16 years. Several new gold mines reached the production stage and 20 new mills began operation. The gold output from all sources passed the 5,000,000-ounce mark for the first time. In the production of base metals, Canada has held a leading place for many years. Production figures are given at pp. 314-319 of this volume.

Turner Valley continued to be the focal point of interest in the petroleum industry of Canada. Thirty-four new wells were brought into production and an extensive program of exploration was conducted. Production of crude petroleum and natural gasoline reached a new maximum at 7,743,000 barrels worth \$10,409,000.

In the first eight months of war, exports of Canadian base metals reached record levels and the output of gold increased over 3 p.c. from the corresponding period September, 1938, to April, 1939. Petroleum production also registered an advance of nearly 19 p.c.

Manufacturing.—Recovery in industrial activity took place after the early months of the year. The index of the volume of manufacturing production rose