

CHAPTER VII.—SURVEY OF PRODUCTION*

CONSPECTUS

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The net value of commodities produced in 1938 by the nine main industrial groups amounted to \$2,974,700,000 compared with a revised figure of \$2,992,300,000 in 1937; this was the second largest figure of value registered since 1930. The index of wholesale commodity prices was 7 p.c. lower in 1938, dropping from 84.5 to 78.6 and, therefore, it is evident that the volume of production was considerably higher than in 1937.

While 1937 had been a particularly discouraging year for the agricultural industry, the return to average crops in 1938 re-established the former relationship of the leading industries, particularly in the western provinces. However, gains in agriculture, fisheries, electric power, mining, construction, and custom and repair were not quite sufficient to counterbalance declines in manufactures, forestry, and trapping.

Preliminary figures for 1939 indicate that the trend of Canadian production was upward during the year, particularly in the last four months when war demands acted as a strong stimulant. The net value of agricultural production in 1939 is placed at nearly \$816,000,000, the highest since 1930; volume was also highest since 1931. Products of the mining industry reached the highest net value on record, at \$470,000,000, a gain of 10 p.c. over 1938. During 1939, the official index of industrial production averaged 125.6 as compared with 114.7 in 1938.

The net figure of production as compiled by the Dominion Bureau of Statistics represents an estimate of the amount contributed to the national economy by the nine leading industrial groups covered by the annual survey of production. "Net" production represents an attempt to eliminate the value of materials, fuel, purchased electricity, and process supplies consumed in the production process. For purposes of ordinary economic discussion, the net figure should be used in preference to the gross, in view of the large amount of duplication that the latter includes.

An explanation of the general method used in computing the statistics shown in this chapter is given in corresponding sections of previous Year Books and also at pp. 11-13 of "Survey of Production in Canada, 1938", an annual bulletin issued by the Dominion Bureau of Statistics.

Section 1.—Leading Branches of Production in 1938

In net value of commodities produced in 1938, six of the nine divisions of industry showed increases over 1937 figures. The exceptions to the general expansion were manufactures, forestry, and trapping, which showed recessions because of decreased external demand for such commodities as newsprint, lumber, non-ferrous metals, and furs.

Agriculture, as stated above, registered a gain of \$63,000,000 or 9.3 p.c. over 1937; this gain was largely because of lower seed and feed costs. Field crops, dairy

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