

products, fruits and vegetables, poultry, and tobacco were sold in much greater volume. While grain prices naturally were lower with a much larger crop, the recovery staged by agriculture in Saskatchewan was particularly gratifying, the net value of agricultural production in that province having increased by \$60,000,000, a gain of 156 p.c. from 1937. There was an improvement in the returns from agriculture in the Maritime Provinces also.

Mining production continued to expand and a new record in the net value of output was established for the fourth consecutive year. It should be noted that since the end of the War of 1914-18, the mining industry has tripled its annual contribution to the net value of Canada's production. In 1938 a gain of \$1,600,000 was shown as compared with 1937. So great is the total production in this group that this expansion expressed as a percentage amounted to only 0.4 p.c. The volume of gold production was more than double that of 1930 and the price has shown an almost equal advance.

Operations in the forestry group were curtailed. A recession in United States business activity was reflected in reduced demand for Canadian newsprint and lumber, while competition from Scandinavian countries was strong. Consequently, there was a decline of 14 p.c. in the net value of forestry production during 1938.

An increase in the net value of production of the fisheries was shown in 1938, the advance having been 3.3 p.c. The salmon catch in British Columbia was one of the largest in years and prices were well maintained; good catches were obtained in the Maritimes also but demand from European countries decreased.

The demand for fur products, which are essentially luxury goods, decreased as European countries strove to build up their supplies of necessary commodities in anticipation of war. As Canada's fur production is largely exported, the result was a decrease of over 37 p.c. in the value of products of the fur trade. While this percentage decrease is very high, the trapping industry contributed only 0.22 p.c. of the total net production and, therefore, the effect on this total figure was insignificant.

The electric power industry continued to establish new records, a gain of 1 p.c. being shown over the preceding year. Increased consumption by domestic users and in the mining districts more than compensated for smaller demand from the pulp and paper, textile, and other manufacturing industries.

The net value of construction work completed in 1938 showed a minor gain of 0.4 p.c. over the level of 1937. There is still a large deficiency in dwelling units and Government housing financing is being resorted to more extensively. The recent trend has been toward more apartment buildings.

In the analysis of Table 1, "dyeing, cleaning, and laundry work", are shown with custom and repair, and not, as formerly, with manufacturing; this vitiates a fair comparison with the 1937 figures for this group.

While the 1938 figures for manufacturing were adversely affected by the transfer of "dyeing, cleaning, and laundry work" to custom and repair, the decline of 5.3 p.c. in the group as compared with 1937 is due primarily to a falling off in manufacturing operations generally. Decreases of 2.8 p.c. in the number of persons employed and 2.2 p.c. in the amount of salaries and wages paid were experienced. Textile products, wood and paper, iron and steel, and non-ferrous metals were mainly responsible.

Comparing the relationship of primary and secondary industries, it is observed that the primary group registered a net advance of 1.5 p.c. in 1938 over 1937, whereas secondary production decreased by 4.5 p.c. Price indexes of producer