

Section 1.—Leading Branches of Production in 1939

Primary Production

Mainly reflecting the expansion of agricultural production, the primary group recorded a gain of 10·2 p.c. in the net value of output over 1938. The total was \$1,703,000,000 against \$1,545,000,000, representing an increase of nearly \$158,000,000.

The gain recorded by agriculture, the outstanding primary industry, was 14 p.c. or \$104,000,000. The outbreak of war in September marked a turning point in the economic condition of agriculture during the year. Increased production of both crops and live stock, together with somewhat depressed demand conditions during the first eight months of the year had resulted in the decline of farm-product prices, from 100·4 p.c. of the 1913 level in January to 90·2 in August. War conditions brought a reversal of this trend and prices gained 10 p.c. in September. During December, farm-product prices were at the highest point of the year. The value of field-crop production in 1939 was estimated at \$634,000,000 compared with \$550,000,000 in 1938. Although prices were lower, the larger total yield resulted in a value \$84,000,000 greater than in the preceding year. The volume of the crop reached a higher level than in any other year since 1931, the gain being due mainly to the return of favourable crop conditions in Western Canada.

The rapid growth of the mining industry was continued during the year under review. The net value of the output, after the deduction of the value of ores used by smelters and the cost of fuel, purchased electricity, process supplies, freight and treatment charges, was \$393,000,000 against the high level of \$374,000,000 recorded in the preceding year. Despite the lack of any real improvement in the price of metals, the mineral industry enjoyed another successful year. New output records were established in eleven metals and minerals. Iron ore was produced on a commercial scale for the first time in sixteen years. The gold production field was widened; mines under development in the two preceding years came into production and 20 new mills began operations. The output during the year passed the five-million-ounce mark for the first time. The output of copper, nickel and zinc was much larger than in 1938.

The forestry industry showed a pronounced improvement over 1938, the net revenue rising 11 p.c., or more than \$27,000,000. Affected by the almost unprecedented uncertainties prevailing in most markets, the rise in newsprint amounted to 9·3 p.c. The outbreak of war brought an immediate change in the position. Increased newspaper circulation in the United States; the elimination of overseas export shipments from Germany, which had previously been close to 150,000 tons per annum; and uncertainty concerning the future of Scandinavian shipments from the Baltic all combined to accentuate the usual seasonal expansion in operations. Production in the last quarter of the year rose to over 75 p.c. of capacity, the highest level since 1937.