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# CANADA 1933

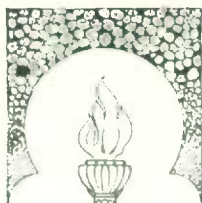
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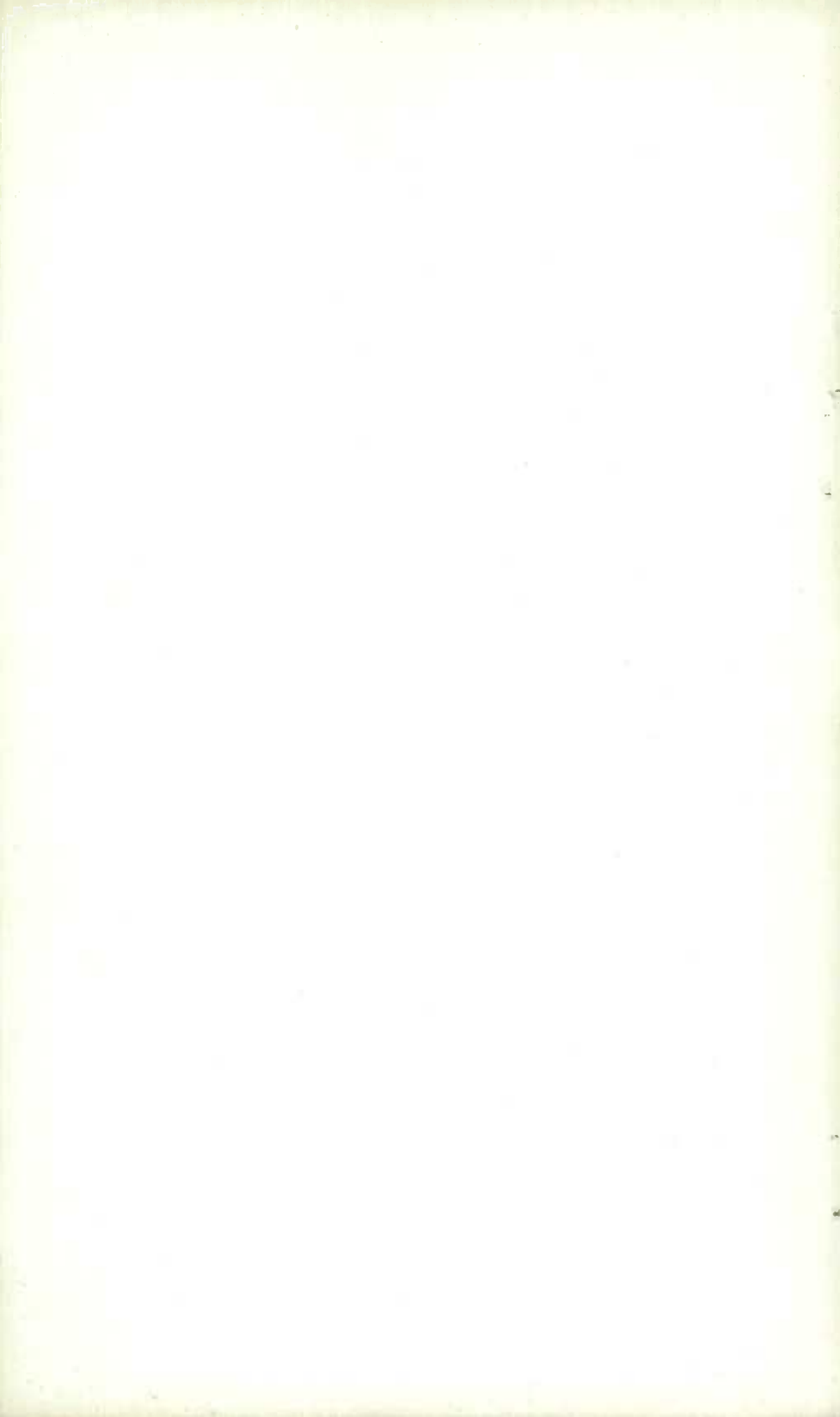
*"THE agreements signed to-day constitute a definite advance towards closer Empire economic association. Because of this, we may fairly lay claim to an achievement greater than that of which any other Conference can boast.*

*"... We have commonly acknowledged that Empire association can be based advantageously upon the principle of reciprocal preferences, and by our several agreements have evidenced our belief that these preferences ensure the greatest benefits when they are predicated upon a general Empire tariff plan.*

*"... but this propitious beginning must not blind us to the fact that it is but a beginning, and that if this scheme of closer Empire association is to endure and bring to each one of us the benefits we hope for, further action must be taken at a not too distant date."*

*—Excerpt from the speech of the Rt. Hon. R. B. Bennett, Chairman of the Imperial Economic Conference, at the Plenary Session, Ottawa, August 20, 1932.*









*The Right Honourable R. B. Bennett  
Prime Minister of the Dominion of Canada*





# CANADA 1933

## The **O**fficial **H**andbook of Present Conditions and Recent Progress

PUBLISHED BY AUTHORITY OF THE HON. H. H. STEVENS, M.P.  
MINISTER OF TRADE AND COMMERCE

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DOMINION BUREAU OF STATISTICS  
OTTAWA - CANADA

*Price 25 cents.*

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## FOREWORD

AS the result of the growth of the Dominion and the increasing complexity of its institutions, the need has arisen for an official handbook of Canada, dealing with the whole range of its economic and social development, and giving a succinct and popular account of its problems and its progress, while devoting special attention to the facts of the existing economic situation. While the current reports of our national bureau of public information, the Dominion Bureau of Statistics, deal in great detail with the subjects of population, production, external and internal trade, transportation, prices, finance, education, hospitals and charitable institutions, criminality, etc., these publications are intended mainly for those who are specially interested in these particular phases of our national life. Again, the Canada Year Book, which summarizes these and other official publications, is itself too detailed for the average citizen and too expensive for general distribution. The present publication presents the result of an effort to survey the Canadian situation as a whole within a reasonable space, in a popular and attractive format, and at a cost which makes possible a wide distribution.

The material dealing with topography and climate, and constitution and government has been omitted in this edition in order to make way for a fairly broad treatment of the Imperial Economic Conference of 1932 and intra-Empire trade, which appears as Chapter I.

This handbook is designed to serve two very necessary purposes. To those outside of Canada, it will give a well-rounded picture of the current Canadian situation from Atlantic to Pacific, with sufficient historic and descriptive information as the background of the treatment. In Canada itself, the handbook will be of assistance in the general discussion of the economic situation incidental to our New Year national stock-taking, and will help to provide a better basis of information for dealing with the business problems of 1933.

H. H. STEVENS,

*Minister of Trade and Commerce.*

OTTAWA, January 1, 1933.

#### NOTE

*This handbook has been prepared in the Dominion Bureau of Statistics from material which has, in the main, been obtained from the different Branches of the Bureau. In certain special fields information has been kindly contributed by other Branches of the Government Service.*

R. H. COATS,

*Dominion Statistician.*

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## INTRODUCTION

### Economic Conditions in Canada at the End of 1932



HON. H. H. STEVENS, M.P., LL.D.,  
*Minister of Trade and  
Commerce.*

CONTRARY to expectations, the general economic and financial situation of the world grew worse instead of better in 1932. International trade declined and the gold value of the international trade of twenty leading and representative countries in the twelve months ended September, 1932, has been estimated by the President of the Canadian Bankers' Association at approximately only 40 p.c. of the gold value of the trade of these same countries in 1929. Thus 60 p.c. of the gold value of international trade has disappeared in the past three years, with devastating effects upon the whole system of international debits and credits, the principal and interest of which have hitherto been discharged mainly by shipments and receipts of commodities, leaving only minor balances to be discharged in gold. The plain fact is that international trade, at its present level, will not suffice to discharge the obligations of international finance including war debts, reparations, etc. And the realization of

this is leading the nations of the world more and more to confine their current investments to their own borders and indeed to only the safest investments within those borders.

**The Imperial and International Situation.**—Canada, as a great international trader, has felt the full force of the storm. The United Kingdom, as a great trader and a great creditor, has also felt the full force of the storm. The economic system in both countries is based upon international trade, and in both countries the value of commodities imported and exported bears a very high proportion to the national income. In the United States, on the other hand, the external trade, large as it is in absolute value, is a much smaller proportion of the national income, and although certain classes in that country are suffering greatly from the collapse of international trade, it must be recognized that international trade is much less vital to the republic than to either the United Kingdom or Canada.

Europe, too, is for the most part in a state of unrest and turmoil, and the difficulty of making payments abroad has been making the different countries more and more anxious to produce at least all the necessities of life within their own borders. In order to attain this end, such densely peopled and powerful countries as Germany, France and Italy are bonusing

their agriculturists to produce, often on poor land and with a liberal use of expensive fertilizers, necessarily high-priced food which could be much more cheaply purchased from such countries as Canada, Argentina and Australia. It is only the smaller and less ambitious countries of continental Europe, such as the Scandinavian countries, the Netherlands and Belgium, that are satisfied frankly to rely for the food of their people on countries other than their own. In such circumstances, it may well be a benefit to be a citizen of a small country.

Under the strain and stress of the past three years, the markets of foreign countries, and notably those of the United States, have been to an ever-increasing extent closed to the products of Canada, as to the products of the United Kingdom. The other countries of the Empire, also dependent largely upon external trade, have had the same experience of finding their trade with foreign countries restricted. The natural consequence has been a *rapprochement* between the different countries of the Empire itself.

The British Empire in its vast expanse covers all zones and climates, includes all sorts and conditions of men and produces almost every conceivable commodity known to trade. It is linked together by a common allegiance to the Crown and by mutual goodwill between the far-flung peoples who recognize their common interests and common obligations. It is a vast area where goodwill prevails and where trade wars are practically unknown. It was entirely natural, therefore, that in the threatening collapse of world trade the countries of the Empire should meet in council to consider how far their surplus stocks of particular commodities could be absorbed within the Empire itself, and how far each of them could afford to take the surplus commodities of the others. This indeed was a principal reason for the assembling of the Imperial Economic Conference at Ottawa in July and August of 1932. The various commercial agreements negotiated at that Conference have been ratified by the Parliaments concerned and are now in force.

The work of the Conference and the agreements made are discussed in some detail in Chapter I of this publication, but here we may refer briefly to the earliest results of the agreements which have been effected, noting, however, that it always requires some time before the advantages derived from a new economic policy can be gathered in.

According to the latest British trade statistics, imports from Canada in the third quarter of 1932, when general preferential tariffs were in existence, amounted to £11,443,397 as compared with £8,802,486 in the same period of 1931, when such tariffs were not in existence, an increase of 30 p.c. in a year when trade figures generally are showing declines. Since the total imports of the United Kingdom from all countries in the third quarter of 1932 were only £160,243,000 as compared with £203,479,000 in the same period of 1931, the percentage of total imports that came from Canada increased more rapidly than the absolute amount, being 7.14 p.c. in the third quarter of 1932 as compared with 4.33 p.c. in the corresponding quarter of 1931. Thus the ties of trade between the Mother Country and the great Dominion are being more closely drawn in this latest period. The other Dominions also are securing a larger share in the total trade of the Mother Country, and the proportion of British imports coming from the self-governing Dominions (except the Irish Free State) has gone up from 13.85 p.c. in the third quarter of 1931 to 18.89 p.c. in the corresponding period of 1932. Similarly, the grand total of imports from all Empire countries, except the Irish Free State, has risen

from 22.05 p.c. to 29.71 p.c. In the distressing international conditions of the present time, it is indeed fortunate for Canada, a great producer of food products and raw materials, that she is politically linked up with the greatest importer of such commodities in the world.

The United Kingdom, again, is finding increasingly favourable markets for her highly manufactured goods within the Empire and in Canada. Under the agreement signed on August 20, 1932, the importation into Canada of commodities coming under 223 tariff items was facilitated, in part by increases under the general tariff. Such advantages, given on a considerable range of specialized commodities, are slower in affecting trade than concessions made on food products and raw materials. United Kingdom exports to Canada were valued by the British at £4,123,685 in the third quarter of 1932 as compared with £4,900,889 in the same period of 1931. The proportion of British exports that went to Empire countries other than the neighbouring Irish Free State rose from 36.85 p.c. in the third quarter of 1931 to 40.71 p.c. in the same period of 1932. It may be noted that these British figures show that 1,378,095 tons of coal were exported to Canada in the first ten months of 1932 as compared with 839,317 tons in the same period of 1931.

Yet the advantage of the new agreements must not be considered merely with reference to the trade between Canada and the United Kingdom. Through the agreements made last summer, Canadian manufacturers not only secure great advantages in the markets of the other Dominions, but also obtain equality with British manufacturers in the vast areas that are still administered from London, constituting an area equal to that of this Dominion itself, and peopled by some 60,000,000 people whose demand for manufactured goods, though at present small, is increasing from year to year. We do not yet realize what such markets as British West Africa, British East Africa, the Anglo-Egyptian Soudan and British Malaysia will be worth in the next generation.

**External Trade of Canada.**—So far as quantities go, the export trade of Canada is being well maintained. If we take the latest twelve-month period and compare it with two years ago, we find that the value of domestic products exported in the twelve months ended October, 1932, was only \$516,098,000 as compared with \$945,614,000 in the corresponding period ended October, 1930, two years before. Nevertheless, on the basis of the quantities of 25 leading commodities exported, constituting over 70 p.c. of 1932 exports, it is estimated that had the prices been the same in 1932 as in 1930, the total values of domestic products exported would have been \$786,622,000. In other words, while the value of our exports in 1932 was only 54.6 p.c. of their value two years before, their volume was approximately 83.2 p.c. of their volume two years before. Thus, while value was less than five-ninths of what it had been two years before, volume was approximately five-sixths of what it was two years ago. When the general condition of international trade throughout the world is considered, our export trade is doing about as well as can be expected.

Of the twenty-five leading commodities referred to in the last paragraph, for which quantity figures have been compiled, ten showed larger quantities of exports in the twelve months ended October, 1932, than in the previous twelve-month period. These ten commodities included oats, oatmeal and rolled oats, rye, wheat (where the increase was 24,500,000 bushels) bacon and hams (where the increase was about 270,000 hundred-



weight or  $2\frac{1}{2}$  times the total exports of the period ended 1931), and raw wool which nearly doubled in the latest period. Exports of square timber showed a slight increase; further, exports of copper ingots, sheets, plates, etc., in the latest period were more than treble what they were in the corresponding period of 1931, and exports of lead showed an increase.

Values of both imports and exports are lower in the latest twelve-month period than in the period preceding. The total value of imports in the twelve months ended October 1932 was \$473,085,000 as compared with \$677,561,000 in the preceding twelve-month period. Exports of Canadian produce, however, were better maintained at \$516,098,000 as compared with \$634,564,000. When the exports of foreign produce that had been previously entered as imported are added to those of Canadian products, we find that in the last twelve months we have a favourable balance of \$51,780,000, as compared with an unfavourable balance of \$30,231,000 in the preceding period. Thus the improvement for the year is approximately \$82,000,000, which makes it considerably easier for Canada to maintain her position in international commerce and finance.

Exports to Empire countries were some \$11,000,000 lower at \$220,257,000 in the twelve months ended October, 1932, as compared with \$231,012,000 in the preceding twelve months, but they amounted to 42.7 p.c. of total exports in the later period as against 36.4 p.c. in the earlier. Exports to the United Kingdom were actually greater in value in the later period, with \$179,510,000 as compared with \$177,291,000 in the earlier. Again, exports to Australia were \$6,845,600 against \$4,837,000.

In the latest month, following the Imperial Economic Conference and the agreements negotiated thereat, the current trend of trade is strongly in the direction of the Empire. Considering first Canadian exports, we find that in October 1932 no less than 47.5 p.c. of our exports went to the United Kingdom and 54.6 p.c. to the Empire as compared with 36.4 p.c. and 44.6 p.c., respectively, in the same month of 1931. On the other hand, our exports to the United States in October, 1932, were only 23.6 p.c. and to all foreign countries only 45.4 p.c., as compared with 36.4 p.c. and 55.4 p.c., respectively in October, 1931. Similarly of our imports in October 1932, 22.3 p.c. came from the United Kingdom and 31.9 p.c. from the Empire, as compared with 18.1 p.c. and 27.0 p.c. in October 1931. In the later period, 55.6 p.c. of our imports came from the United States as compared with 57.7 p.c. in the earlier.

**Agriculture.**—The season of 1932 was another extremely difficult period for Canadian agriculture. Drastically lowered prices provided the main cause of this condition. During 1931, it was evident that prices received for farm products were insufficient to meet the costs of production. Further decreases during 1932 brought many prices to a level insufficient to cover the direct costs of preparation for market. In the late months of 1932, revenue on many farms was being used to provide the necessities of life, with no possible surplus for fixed charges like taxes, mortgage and machinery debt. Self-sufficiency—manifest in an increase in the quantity and variety of farm production of necessary foods—has been developed to the fullest possible extent and is undoubtedly a helpful factor. Another alleviating influence is the increased production of field crops and the more even distribution of production over the Dominion. As a tangible example, Manitoba and Saskatchewan have increased revenue from field crops in 1932 as compared with 1931.

The tremendous reduction in farm income is directly reflected in purchasing power. Any available farm purchasing power must be used to meet expenses for such items as consumption goods, equipment, taxes, mortgage payments, etc.—which have not declined in nearly the same proportion as the decline in farm prices. Thus the primary producer is doubly handicapped by the prevailing depression. Debts must be allowed to accumulate, provision for depreciated equipment must be limited and all out-of-pocket expenditures reduced. The effects of this maladjustment on the entire Canadian internal economy are undoubtedly severe. The farmer may find consolation in the fact that he has shelter and food and that, in the natural course of events, farm prices rise first as the world emerges from depression.

The agricultural situation, in its physical aspects, is not without hope. The increase in crop production has already been mentioned. The numbers of cattle and sheep on farms increased over 1931, while the notable increase in sales of market hogs was accomplished with only a slight reduction in the hog population. Farm holdings of ducks, geese and turkeys show notable increases, but the number of hens and chickens is down 3 p.c. The reduced production of butter and eggs has greatly improved their statistical position, giving them an excellent chance to respond to the first evidences of improved demand. Cheese production has increased considerably during the year and, although recently hampered by adverse exchange rates, overseas shipments have been higher than in 1931. The wheat situation is still dominated by excessive available supplies. Exports have shown a distinct improvement over the same months of 1931, but the increased production makes this quickened movement very necessary. Fruit production was generally unprofitable in 1932, both production and prices being low. Sugar-beet growers were again favoured by high yields and little change in prices. Potato acreage was reduced and many market observers predict higher prices for the remaining crop.

**Forestry.**—Forestry production has suffered in common with other branches of primary production and for the twelve months ended October 1932, as measured by exports, shows declines in quantity and greater declines in value in all branches as compared with 1931. Total exports of unmanufactured wood were valued at \$28,878,000 compared with \$44,613,000; exports of manufactured wood were \$22,090,000 compared with \$32,218,000; and exports of paper were \$91,317,000 compared with \$116,391,000. Newsprint paper exports, which constitute the bulk of paper exports, fell from \$112,438,000 to \$87,769,000 but newsprint paper is still a very good second to wheat among our exported commodities, with wood-pulp third, wheat flour fourth and sawn lumber fifth. From the standpoint of sustained balances of trade, forest products have been more reliable than agricultural products or any other comparable group of commodities. Since 1929, while values and volume of trade have decreased, the contribution of the trade in forest products toward a favourable national balance has exceeded that of any other group. Without the contribution of forest products, which amounted to \$118,943,910 for the year ending October 1932, Canada's favourable trade balance of \$51,780,000 would have been displaced by an unfavourable balance of \$67,164,000.

**The Mineral Industry.**—Canada's mineral industry is withstanding the effects of the depression remarkably well. Though base metals output, coal production and sales of non-metallic minerals such as gypsum and asbestos, have shown a marked falling-off, the output of gold is greater

than ever before and the prospecting carried on during the past two years has resulted in the development of several promising properties. Gold production in 1931 totalled \$55,687,000, an increase of \$12,233,000 over 1930, and the output during the year 1932 was valued at \$63,156,000, an increase of 13 p.c. over the preceding year.

Lower base metal prices adversely affected the output of copper, lead and zinc, but Canada is endowed with large deposits of all three of these metals and can hold her own in the matter of low cost of production with other principal world producers. Thus the plants are kept running though at decreased capacity and, when normal demand revives, the mines will be immediately capable of expansion.

The successful development of the silver-radium ores of the Great Bear Lake region (see p. 91) was reflected in the bringing into active operation of a radium extraction plant at Port Hope, Ont. in December, 1932—the first plant of its kind in Canada.

**Manufactures.**—The difficulties facing manufacturers in Canada in 1931 were generally undiminished in 1932, as the period of declining prices continued throughout the world. On the whole, manufacturers have been obliged seriously to reduce the scale of their operations and the number of their employees. Thus, the monthly reports furnished by some 4,900 of the larger manufacturers show a decrease of approximately 11½ p.c. in the employment they afforded in 1932, the average index declining from 95.9 in the first eleven months of 1931 to 84.8 during the same period in the year under review. (The average employment afforded during 1926 by the co-operating firms is used as the base or 100 p.c., in calculating these index numbers.) The reduction from 1930 to 1931, however, had amounted to 12½ p.c.; the slightly smaller decline in 1932 possibly indicates that the force of the downward movement is expending itself. The manufacturing industries in which employment was best maintained during 1932 were the food, woollen, silk, hosiery and knitting, tobacco and beverage, chemical and allied product, electric current, electrical apparatus and mineral product groups. The leather footwear division reported a slightly greater volume of employment than in 1931. The lumber industry, considerably affected by unfavourable export as well as poor domestic markets, showed a substantial decline as compared with recent years, but benefits to this industry are anticipated shortly as a result of the Imperial Economic Conference agreements.

**Railway Operations.**—For the 48 weeks ended Dec. 3 car loadings amounted to 2,041,755 cars, compared with 2,406,189 cars in 1931 and 2,959,597 cars in 1930. Grain loading was heavier than during the same period in 1931 by 4,431 cars, but every other commodity group showed decreases, miscellaneous freight leading with a decrease of 157,105 cars, or 26 p.c. Merchandise followed with a decrease of 85,442 cars, or 11.9 p.c., and lumber with a decrease of 32,733 cars, or 36.7 p.c. The most encouraging aspect of the situation from a railway point of view is the large quantities of grain in the country elevators and on the farms that will undoubtedly be shipped before next August.

For the first nine months of 1932 the gross operating revenues of the two great railway systems aggregated \$216,563,362 as compared with \$263,577,720 in the same period of 1931, or a decline of approximately \$47,000,000. Operating expenses, however, were even more drastically reduced, with the result that net operating revenues this year are rather larger than for the same period of last year, aggregating



\$20,856,633 in 1932 as compared with \$18,140,721 in 1931. Operating income for the same period is \$13,000,756 this year compared with \$10,362,720 last year. Further reductions in operating expenses are hoped for as the result of co-operation between the two great competing lines as the result of the Duff Report.

**Canal Traffic.**—Canal traffic on the new Welland Ship Canal showed a considerable increase up to November 30, 1932, the total traffic of 8,388,916 tons being an increase of 1,218,984 tons over the 1931 traffic. Similarly the St. Lawrence canals registered total traffic of 6,642,584 tons in the 1932 season as compared with 6,005,224 tons in 1931. This increase in canal traffic is not unconnected with the decline in railway traffic.

**Prices.**—Considerable importance is attached by the business world to movements in price levels, for stable or rising prices are associated with prosperous times, and, conversely, falling prices mean retrenchment and dwindling profits. In September, 1929, a decline in prices began which, because of its combined severity and persistence, has been more serious than any preceding it. During the 39 months from August, 1929, to November, 1932, the general wholesale price level dropped 34 p.c. The November, 1932, index was just 1.2 p.c. above the average for 1913. Similar recessions have been observed in most other countries, indicating that causes have been international in scope.

During the first three quarters of 1932, resistance to further decline appeared to be developing steadily. Then, weakness in basic commodity markets became pronounced, and the rate of recession again accelerated.

Throughout the decline, raw material prices have fallen more rapidly than those for finished products, and business recovery will be greatly impeded until such time as these two price levels again approach normal relationships. Relatively low prices received by primary producers, who represent roughly one-half the population of Canada, have greatly diminished purchasing power. This in turn has necessitated lower production costs, and labour has consequently suffered.

**Retail Trade.**—Retail trade in 1932, as reflected by the sales of 83 chain store systems, including 25 departmental stores, has held fairly steadily at a level somewhat lower than in 1931. A general index of retail sales for October, 1932, stood at 94.1 as compared with 84.1 in September, 1932, and 111.5 in October, 1931. (January, 1929=100). General and department stores, hardware and food chains have maintained their business at a fairly high level. Returns from distributors carrying less necessary lines, such as musical instruments, show business to be considerably less active. The substantial decline in retail prices is largely responsible for the lower figures of 1932. The index number of employment in retail trade showed somewhat of a seasonal increase in the autumn of 1932, and stood at 121.2 on Nov. 1 as compared with 119.0 on Oct. 1, and 129.1 on Nov. 1, 1931.

**Public Finance.**—The total customs and excise revenue collected by the Department of National Revenue in the first eight months of the current fiscal year was \$133,951,330 as compared with \$144,253,575 in the same period of the preceding fiscal year, a decline of \$10,302,246. This decline is partly offset by the increase in the yield of income tax, which rose from \$52,192,221 last year to \$56,270,026 this year, or an increase of \$4,077,805. The total revenue receipts of this chief revenue-collecting Department are therefore \$190,221,356 for the first eight months of this year as against \$196,445,796 for the same period of last year.

Prices of Canadian Government bonds have improved very considerably during 1932, the average yield on four refunding bonds being computed as 4.66 p.c. in October as compared with 5.37 p.c. in January. In the same period, the yield of Ontario Government bonds declined from 5.74 p.c. to 4.70 p.c. These reductions in the yield of Government bonds are acting as a stimulant toward the transfer of capital to business enterprises, where a higher yield may be secured.

**Banking and Insurance.**—The public finances of the Dominion and of its provinces and municipalities have borne up extremely well under the great depression. Our banking system, too, has stood the strain without a suspension and even without a run upon any chartered bank. Indeed, the total of non-current loans of all the chartered banks together, according to the latest monthly report as of Oct. 31 was only \$13,456,000 out of grand total assets of \$2,857,000,000, or a little less than one-half of one per cent. Again, though the savings deposits of the chartered banks are naturally affected by the necessity of some persons who have had to draw out their savings for living expenses, the grand total of the savings deposits in our chartered banks has actually increased by some \$10,500,000 since the end of 1931. Further, in spite of the great depression, the larger life insurance companies doing business in Canada state that during the first ten months of 1932 they have written \$334,000,000 of new business. As many companies do not report their new business, the total of life insurance sold in Canada in the first ten months of 1932 must be approximately \$400,000,000.

**Conclusion.**—As for the future, it is reasonably certain that the improvement in Empire trade already shown as the first fruits of the Imperial Conference will continue in growing measure as trade settles down into new channels. Yet the events of the past few years have shown that even so great a structure as the British Empire cannot live unto itself alone, and that its prosperity must largely depend upon world markets for its products. In that international field no great progress has as yet been made and the volume of world trade appears to be still on the decline. In these circumstances, our hopes are based upon the success of the approaching world economic conference at which questions of war debts, disarmament and tariff relations will in all probability be discussed and settled so as to promote the growth of international trade and the return of confidence in international finance. So far as Canada is concerned, although we have borne and are bearing a heavy burden as a consequence of low prices and loss of markets, we are, comparatively speaking, favourably situated. Indeed, if the international economic conference brings about restoration of confidence and an increase of international trade, we, producing basic commodities urgently needed by the world, will realize great advantages from the restoration of our markets.

To sum up, we may quote the words of the President of the Bank of Montreal in his annual address to the shareholders of that important institution: "I think I can truthfully say that Canada has come through the extreme depression and difficulties better than any other country in a similar economic position.... We must continue to safeguard our economic position to the very limit of our ability, hoping that the turn for the better is not far off and that the long road of depression will soon come to an end, with our country quickly responding because of the general soundness of its position".

## CHAPTER I

### THE IMPERIAL ECONOMIC CONFERENCE, 1932, AND INTRA-EMPIRE TRADE

Towards the middle of January, 1932, invitations were issued by the Canadian Government to the Governments of the United Kingdom, the Irish Free State, the Union of South Africa, Australia, New Zealand, India, Newfoundland, and Southern Rhodesia for an Imperial Economic Conference to meet at Ottawa in July. While the Agenda of the Conference was not definitely set forth at that time, it was understood that the Conference, following the lines of earlier conferences of a similar character, would consider, and endeavour to reach agreement on, ways and means of promoting the further development of trade between the various parts of the British Commonwealth of Nations.

#### Conditions Leading up to the Imperial Economic Conference of 1932

An understanding of the problems which faced the Empire statesmen who met in Ottawa during July and August is perhaps best obtained by outlining broadly the political and economic developments which have led up to the present relationships between the United Kingdom and the Dominions.

The adoption of Free Trade, which has been the established economic policy in the United Kingdom for more than 70 years, was a consequence of the advantages which she had secured from the "Industrial Revolution" of the latter part of the eighteenth century, by being first in the machine-manufacturing field as a result of the inventive genius of her people and the possession of advantageously located coal and iron resources.

The *laissez faire* school of thought which in the United Kingdom centered round Adam Smith's teachings was as logical a development from conditions as they existed in England at the opening of the nineteenth century as some form of protection has been from conditions in Canada during the twentieth. But the conditions which existed in England had for a background a domestic economy, self sufficient but crude, supported by landed classes on the one hand and closed hand-trades or "crafts" conducted in the home on the other, conservative to the backbone and able to exercise strong opposition for a time.

The actual battle was fought out in the political arena in the era of peace following the Napoleonic wars (1815 onward), when Britain's wealth and resources were developing fast and her manufacturing population was rapidly increasing in numbers as compared with her agriculture. The entire world was at her doorstep ready and eager to take her manufactures, and the protection of her own agriculture, or for that matter that of the Colonies, seemed a small affair when weighed against her interests abroad.

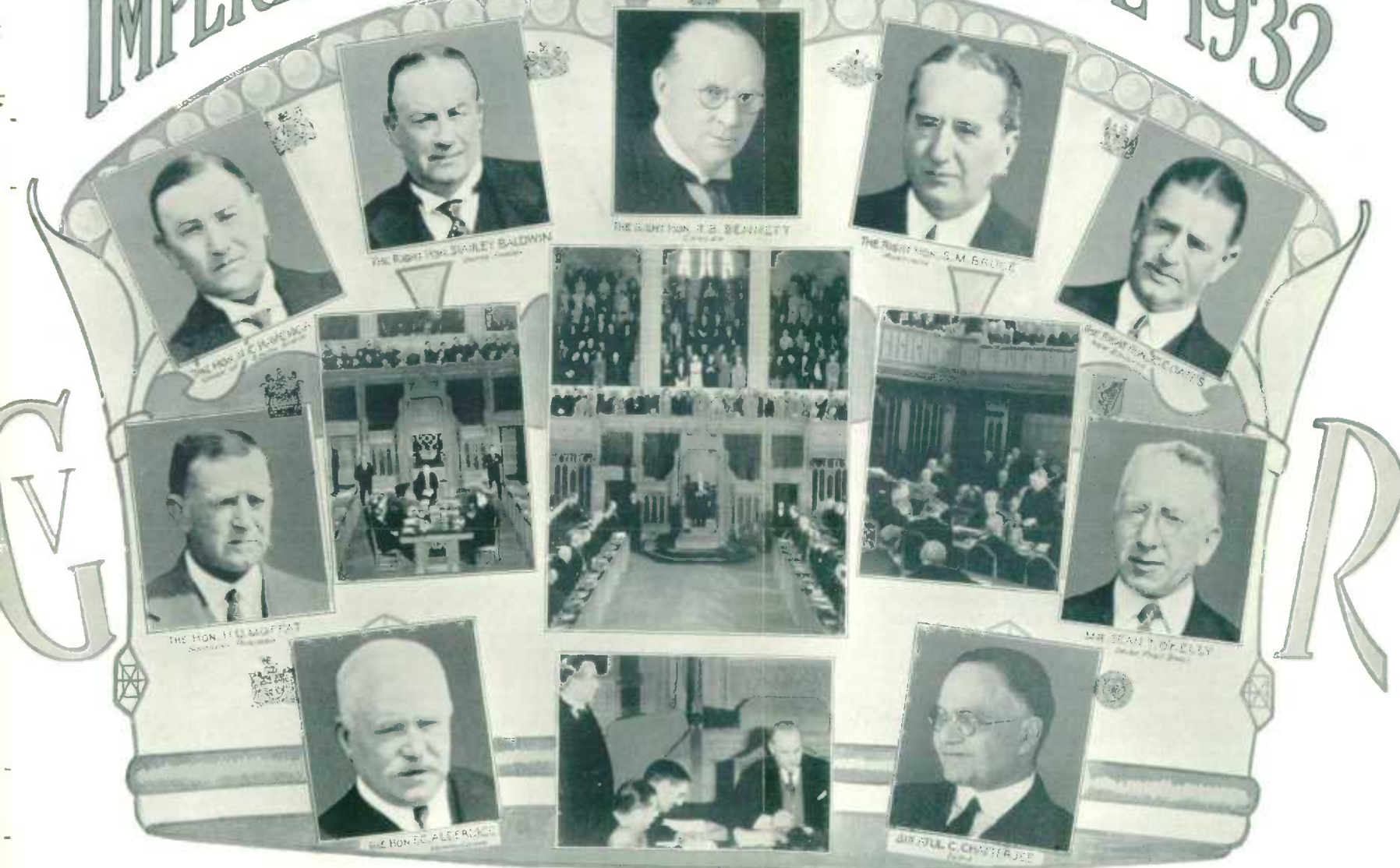
After 1846, when the Corn Laws were repealed, the victory of the Free Traders was never in doubt and the process of transition was com-

pleted by 1869. From then until the outbreak of the Great War, the United Kingdom never seriously looked backwards in spite of the fact that the abolition of preferences on colonial grain and other raw materials was keenly felt by several of her overseas possessions, forced in some cases to look elsewhere for markets for a part of their produce. The severest threat to Free Trade was Joseph Chamberlain's Tariff Reform campaign, ably outlined in an historic speech delivered in Glasgow, where Adam Smith had taught, in 1903. Chamberlain foresaw an Empire slowly disintegrating unless a closer economic union founded on preferences granted reciprocally between the United Kingdom and her overseas possessions were brought about before the Dominions had rounded out their economy for themselves by establishing local manufactures on a large scale. As the units grew in political and economic independence he foresaw conditions which would make it more and more difficult for the Empire to see eye to eye, and would encourage a centrifugal rather than centripetal tendency. Chamberlain worked up a substantial following in the Midlands but the populous manufacturing north would have none of his tariff reform policies with their concomitant taxes on food. It took the profound upheaval of the Great War to bring about the change Chamberlain had worked for. In 1915 certain duties known as the "McKenna duties" were imposed on a limited list of imported products and during later stages of the War other duties were enacted (but mainly to protect "key industries"). Between 1921 and 1929 the "safeguarding duties" were levied with the object of encouraging the production of certain goods within the Empire. But still, down to 1930, the United Kingdom remained, in the main, true to her free trade traditions.

It was at the Imperial Conference of 1930, when the Prime Minister of Canada, the Rt. Hon. R. B. Bennett, re-enunciated the policy of reciprocal tariff preferences, that the stage was set for the wholesale retirement of the United Kingdom from her free trade position. At the time, a Labour government was in power and was not disposed to regard with favour the offer held out by Canada. The Economic Section of the Conference was not able to reach satisfactory conclusions in the time available and, on the invitation of the Canadian Prime Minister, it was arranged that it should convene later in Ottawa. On the formation of a strong National government and after the election of the following year, it was admitted that the British people had expressed themselves definitely in favour of the principle of Imperial preferences. The National Government acted at once and there followed a gesture on the part of the United Kingdom which was of the greatest importance in relation to the 1932 Conference, for the passing of the Abnormal Importations Act of November, 1931 (a temporary measure later supplemented by the Import Duties Act of March, 1932) marked Britain's abandonment of her historic position. But her retirement was made conditional on the receipt of compensating trade privileges from the Dominions at the Conference, and the preferences then extended to the Dominions were, therefore, to cease automatically on Nov. 15, 1932, unless arrangements were made at the Conference for their continuance. The change was nevertheless received by the world at large with a degree of surprise only equalled by the amazement at Britain's suspension of the gold standard a few months earlier. In order to understand just what this change meant to the



# IMPERIAL ECONOMIC CONFERENCE-1932



**THE IMPERIAL ECONOMIC CONFERENCE, 1932.**—The central picture of the group shows the Governor General of Canada reading the King's Message at the Official Opening of the Conference on July 21, 1932. Immediately below is the historic scene of the signing of the Anglo-Canadian Agreement by the Rt. Hon. Neville Chamberlain, Chancellor of the Exchequer for the United Kingdom and son of the late Joseph Chamberlain; the Rt. Hon. Stanley Baldwin (standing behind) who, as head of the United Kingdom Delegation, would normally have performed this act, generously stepped aside on this occasion; the Rt. Hon. R. B. Bennett, Chairman of the Conference, is at the head of the table. To left centre, the Rt. Hon. R. B. Bennett is shown presiding at the Conference and to right centre is another Conference group picture (the Hon. N. C. Havenga, Minister of Finance and Head of the Delegation from the Union of South Africa, is addressing the delegates). The Official Heads of Delegations are arranged around these views of the Conference.

*Photographs, Canadian Government Motion Picture Bureau and Associated Screen News, Ltd.*

United Kingdom and her reason for making it conditional on the return of compensating privileges, it is necessary to recall that under free trade her policy of purchasing food and raw materials in the cheapest market had kept down the cost of living at home to a minimum and enabled her manufactures to compete in price with those of other nations abroad. This policy had, in its day, helped her to become the leading trader of the world, its financial centre, and owner of a large part of its shipping.

More than 50 p.c. of the United Kingdom's export trade (see p. 21) and a large proportion of her capital investments were still with countries outside the Empire and she could hardly expect to hold this trade unless she bought where she sold. So long as the United Kingdom continues to carry the major portion of the world's trade on the high seas and perform untold services for peoples in all parts of the world she cannot afford to regard lightly any obstructions placed in the highways of trade.

On the other hand, several of the Dominions had granted substantial preferences to the United Kingdom for considerable periods of time and the financial burdens they had shouldered by their participation in the Great War, coupled with the hardships occasioned by the drastic decline in the prices of raw products and the limitation of outlets for those products, made it appear to them that a larger share of the British market should be theirs.

The United Kingdom is the largest importing nation of the world, a splendid and reliable market to bid for, but the export of manufactured goods is the chief means she has of paying for imports other than by the export of bullion, coal, or the provision of financial or transport services.

The Dominions, speaking generally, while they have granted preferences to the United Kingdom have at the same time manifested a strong desire to build up manufacturing industries of their own, behind tariff walls which the preferences have not always been sufficient to scale. This development has been particularly rapid in recent years and therefore the situation now is much more complicated than it was in Joseph Chamberlain's day. On all sides it was recognized that in any concessions made at the Conference the Dominions must adequately safeguard such industries as were operating efficiently within their own borders. They still were importing from foreign countries large quantities of goods that the United Kingdom could supply, but the question was—How far could these be wisely diverted to the United Kingdom?

The task before the Conference, therefore, was, by discussion and personal contact, to reconcile the many interests represented and, where possible, discover avenues and devise formulae acceptable to the different delegations by which trade preferences would stimulate trade between units of the Empire with the least possible harm to their outside or local interests. Moderate preferential tariffs would admittedly encourage intra-Empire trade, but the extension of this policy to the exclusion of friendly nations might be productive of more harm than good. Obviously, the problems to be faced were not of easy solution.

### Organization of the Conference

Since this was the first occasion upon which an Imperial Economic Conference had been convened outside the United Kingdom, Canada, as host, was responsible for organization arrangements the breadth and compass of which were beyond anything in her previous experience.

It was decided that the Conference would be organized on the general lines of Imperial Conferences at London, and, accordingly, that the Canadian Government would be responsible, not only for the preparation of economic data for the use of the Canadian Delegation to the Conference, but also for the compilation, in convenient form, of general economic information which would be helpful to the visiting delegations. The Government would be responsible, also, for the organization of a Conference Secretariat and the provision of accommodation and facilities for the business sessions of the Conference.



The New Colours of the Governor General's Foot Guards.—One of the events to which the Delegates to the Imperial Economic Conference were invited while in Ottawa was the ceremony of the Presentation of Colours by His Excellency the Governor General to the Regiment of which he is Honorary Colonel. These colours replace those presented in 1875 by H.R.H. the Princess Louise and are the first Guards' colours presented in Canada, the G.G.F.G. being affiliated with the Coldstream Guards of the Imperial Army.

*Courtesy Canadian Government Motion Picture Bureau.*

By direction of the Prime Minister, who took an active personal interest in the work of preparation, a General Preparatory Committee was set up under the Under-Secretary of State for External Affairs, to supervise the detailed work of preparation and to co-ordinate the activities of the various Departments of Government in connection with the Conference. Subordinate inter-departmental committees were constituted as follows:—

A Tariff Preparatory Committee, responsible for the preparation of complete tariff data including studies of Canadian products on which tariff concessions in the other parts of the Commonwealth would be most beneficial, and of the tariff concessions which could be most easily granted in return; the examination of tariff classifications or other governmental



laws or regulations tending to restrict the expansion of Canadian trade with other parts of the Commonwealth, and other tariff problems likely to be discussed at the Conference.

A General Economic Committee to undertake the preparation of exhaustive data on general economic subjects, including statistical studies of the trade of the Commonwealth, the tariff preferences already in force, the effects of such preferences on the development of trade, Empire content, import quotas, import boards or central buying or selling organizations, cartels, embargoes, steamship services, merchandise marks, preference in government contracts, industrial co-operation and specialization within the Commonwealth, and similar economic matters of intra-Imperial interest.

A Monetary Committee to prepare financial and monetary material, including: information on the discussions of monetary problems at previous Imperial Conferences, the evils of monetary instability, export credits, the international gold standard, the remonetization of silver, the balance of indebtedness, the movement of prices, and other monetary and financial questions likely to be of interest to the Conference.

An Administrative and Staff Committee, whose duty it was to arrange for office accommodation and supplies for delegates and their advisers, suitable meeting places for the various committees and for plenary sessions of the Conference; to organize clerical, filing, stenographic, and messenger services; to arrange for facilities for the press; and in general to make arrangements to facilitate the smooth functioning of the business sessions of the Conference.

A Government Hospitality Committee, responsible for the arrangements for the reception and accommodation of the visiting delegations and for official entertainments during the Conference.

These various committees were organized early in the spring of 1932, and in the following months a very great deal of intensive study and research was undertaken. It was evident that, in view of the special economic conditions, both intra-Imperial and international, under which the Conference would meet, it would require a completely new documentation on a much wider basis than for the Conference of 1930. As the preliminary and final reports of the various committees were turned in they were studied by a Committee of the Cabinet, under the Chairmanship of the Prime Minister, and the broad lines of Canadian policy at the Conference laid down. Frequently this required further information on a great variety of subjects so that the weeks preceding the opening of the Conference were marked by a concentration of effort as great as any undertaken by the Canadian Government since the close of the Great War.

When the Conference opened in the Parliament Buildings at Ottawa on July 21, a Secretariat-General, composed of Canadian civil servants, together with one representative of each of the visiting delegations, took over the purely administrative side of the Conference activities, including arrangements for the organization and meetings of committees and sub-committees, the circulation of Agenda, the drafting of reports of proceedings of the various committees and sub-committees and of the Conference itself and their distribution to the various delegations. The visiting delegations were most generous in their praise of the precision and despatch with which these duties were carried out, and of the assistance of the Secretariat in the solution of problems before the Conference.

### Intra-Empire Trade<sup>1</sup>

The following brief analysis of intra-Empire trade in recent years gives a picture of Empire trade by principal countries as it existed just prior to the Conference. This is followed by a treatment of the staples traded in and the tariff changes brought about at the Conference.

Total world trade in 1930 amounted to \$55,313,000,000 of which imports into all countries totalled \$28,868,000,000 and exports \$26,445,000,000, the difference representing mainly freight and insurance charges. The percentage of the total trade transacted by the British Empire was 27·8 (29·6 p.c. of imports and 25·7 p.c. of exports) and that by foreign countries 72·2 p.c. The percentage figures have been fairly constant in recent years, although the proportion of trade by the British Empire has shown a slight though steady decline while that of foreign countries has correspondingly increased. The United Kingdom is the greatest trading nation, transacting 13·4 p.c. of the total world trade. She took 16·1 p.c. of world imports in 1930 and furnished 10·5 p.c. of all exports. The total trade of the rest of the Empire together was therefore 14·4 p.c. of world trade—13·5 p.c. of all imports and 15·2 p.c. of all exports. Canada, the second trading nation in the Empire, falls a long way behind the United Kingdom, transacting 3·4 p.c. of world trade in 1930—3·5 p.c. of the imports and 3·3 p.c. of the exports. India comes next with 2·8 p.c. of total world trade (3·4 p.c. of all exports and 2·3 p.c. of all imports). Australia, British Malaya and the Union of South Africa follow in order, with between 1·74 p.c. and 1·29 p.c. of total world trade respectively, followed by the Irish Free State, New Zealand, Ceylon, Nigeria, the Gold Coast, Newfoundland and Southern Rhodesia with between 0·88 p.c. and 0·11 p.c. respectively.

Thus the British Empire with less than one-quarter of the world's population transacts nearly 30 p.c. of the total import trade and over 25 p.c. of the export trade.

The major units of the British Empire in order of importance in trade in 1930 were: The United Kingdom, Canada, India, Australia, the Union of South Africa, the Irish Free State, New Zealand, Newfoundland and Southern Rhodesia.

In addition there are the extensive and rich colonial possessions of the United Kingdom, potentially rich mandated areas like Iraq (Mesopotamia) and Palestine, as well as many small island groups or purely trading stations like Hong Kong and Aden, strategically located to act as ports of call and stations for the collection and distribution of merchandise from surrounding areas.

Taken together these countries are capable of providing almost every commodity which civilized man requires and in sufficient abundance to support a vastly higher standard of living than has been yet enjoyed by their populations.

The trade positions of the Mother Country and the Dominions are essentially different. The United Kingdom developed her resources over centuries of slow growth during which time she not only financed her own capital expenditures but accumulated large capital reserves which were wisely invested throughout the world to the benefit alike of her trade and her financial prestige. Her position as a large creditor explains her

<sup>1</sup> For this analysis conversions into dollar currency have been made at par rates of exchange.

normal adverse balance of trade, for the United Kingdom has taken interest payments in the form of commodities and thus enhanced the prosperity of her debtors and at the same time built up the greatest market for imports in the world.

The relatively rapid development of the Dominions and the Colonies has necessitated large influxes of capital upon which interest has had to be paid out. Thus in our own case the amount of external investments in Canada exceeds the investments of Canada abroad by well over \$4,000,000,000 so that at 5 p.c. interest \$200,000,000 worth of exports, either in gold or other commodities for which no return from abroad is secured, must be sent out of Canada annually to meet this indebtedness. It is for this reason that favourable balances of external trade are so necessary to the Dominions.

Of course the visible items of trade (*i.e.* commodity trade) do not represent the entire picture—there are invisible balances which affect the international debit and credit accounts. The chief of these are tourist expenditures, payments for freight, insurance, and other services, exports and imports of coin, bullion, etc. Over a long number of years the complete international transactions, visible and invisible, must balance on both import and export sides although, for a time, a country may continue to carry a difference on either side.

Taking Canada as an example again, during the years 1926-30 the average annual favourable visible trade balance was \$56,000,000 but the tourist trade was estimated to yield an invisible favourable balance of \$150,000,000 annually, so that the total favourable balance of these items was over \$200,000,000 or about sufficient to cover interest payment on the balance of external investment in Canada.

### Empire Trade of the United Kingdom and the Dominions

**The United Kingdom.**—One quarter of the imports of the United Kingdom came from other parts of the Empire and about a third of her exports went to Empire countries in 1913. Such imports rose to over 30 p.c. by 1921 and 1926 but exports to the Empire rose a great deal more in proportion reaching 42·5 p.c. in 1921 and 48·5 p.c. in 1926. For 1930 the percentage of imports had dropped to 29·1 and the percentage of exports to 43·5. Yet in spite of the fact that the proportion of her total exports going to the Empire is constantly and appreciably greater than the proportion of her total imports from the Empire, the United Kingdom is such a predominantly importing nation that her actual imports from Empire sources have exceeded her exports to British countries since 1913. In 1913 such exports exceeded imports by \$84,711,000 but by 1921 imports were \$156,537,000 in excess of exports, by 1926 the excess was \$288,616,000 and in 1930 it was maintained at the high level of \$270,984,000.

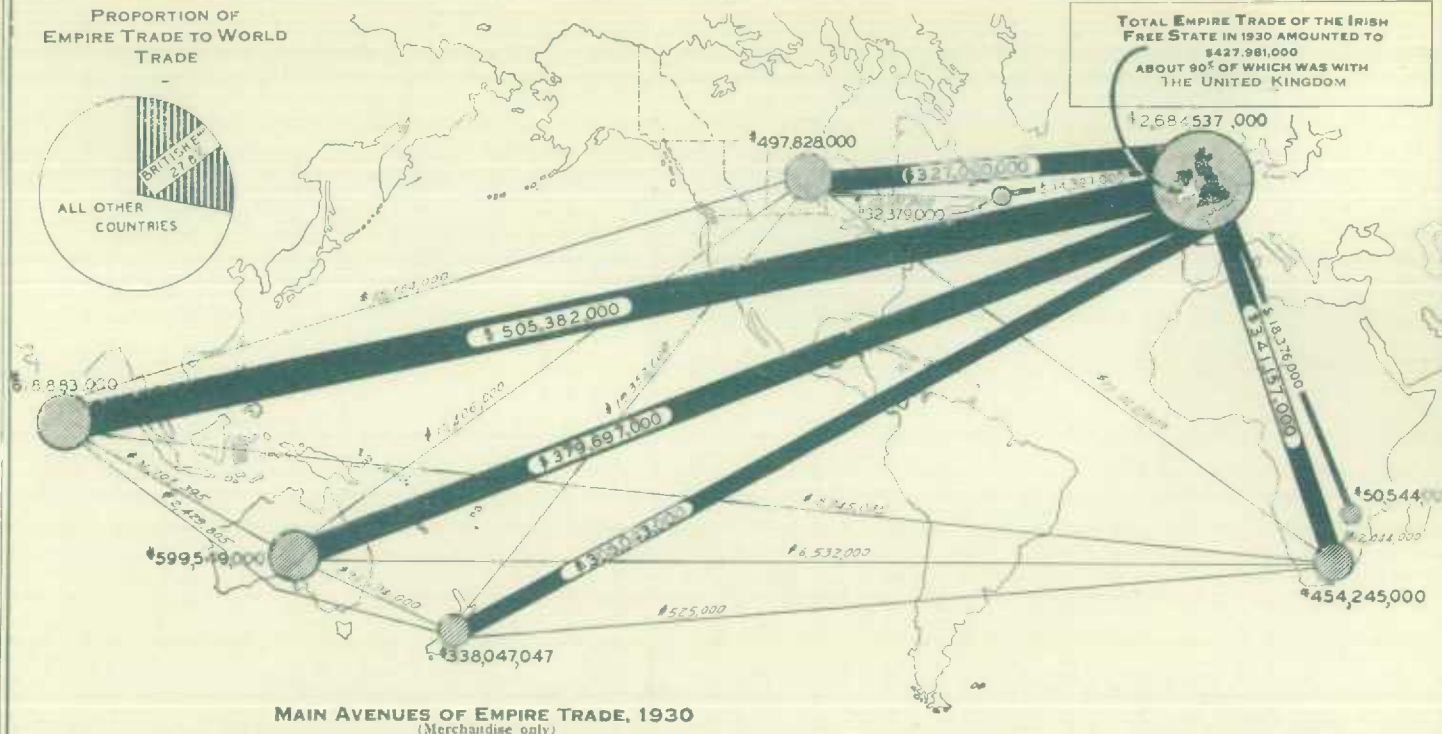
**Canada.**—The actual value of Canada's exports to the Empire greatly exceeds that of her imports from Empire sources. The excess is greater as far as the United Kingdom alone is concerned. Such Empire exports exceeded imports from like sources by \$84,115,000 in 1913-14, \$196,727,000 in 1921-22, \$326,369,000 in 1926-27, \$87,494,000 in 1930-31, and \$71,144,000 in 1931-32.

Between 1913 and 1932 only from one-fifth to one-quarter of our total import trade has been carried on with the British Empire while between one-third and one-half of our export trade has been so conducted. The

PROPORTION OF  
EMPIRE TRADE TO WORLD  
TRADE



TOTAL EMPIRE TRADE OF THE IRISH  
FREE STATE IN 1930 AMOUNTED TO  
£427,981,000  
ABOUT 90% OF WHICH WAS WITH  
THE UNITED KINGDOM



Circles represent the aggregate trade (Import and Export), of the Countries concerned, with all other parts of the Empire.

Bands represent the total trade between the two countries so connected.



major part of this Empire trade has been between Canada and the Mother Country although the percentage transacted with other Empire countries, both of imports and exports, has increased considerably, the former having grown from 3·7 p.c. in 1913-14 to 6·1 p.c. in 1930-31, and the latter from 5·4 p.c. in 1913-14 to 9·2 p.c. in 1930-31. Canada's external trade is treated more fully in Chapter XIII, pp. 126 to 137.

**British India.**—India's total exports to all countries normally exceed her total imports but her imports from Empire sources usually exceed her exports to the Empire.

The percentage of her import trade with the Empire has shown a steady decline from 71 p.c. in 1913-14 to 48 p.c. in 1930-31. Exports to the Empire on the other hand have not declined in proportion to total exports but have remained fairly constant at about 39 p.c.

The decline in imports is attributable to the curtailment of her trade with the United Kingdom which supplied 65 p.c. of India's imports in 1913-14 but only 39 p.c. in 1930-31.

The proportion of import trade with "other Empire countries," has increased from 5·7 p.c. in the former year to 8·6 p.c. in the latter. The percentage of India's exports going to the United Kingdom is about 23 and to "other Empire countries", 16.

**Australia.**—Sixty-two per cent of all Australia's imports came from the Empire in 1913 but by 1930-31 this proportion had steadily declined to 53 p.c. The proportion of her exports to Empire countries has fluctuated from 53 p.c. of her total exports in 1913 to 62 p.c. in 1921-22, down to 46 p.c. in 1926-27 and back to 54 p.c. in 1930-31.

Actually, her imports from the Empire exceeded exports to the Empire by \$49,682,000 in 1913 and by \$143,537,000 in 1926-27. In 1921-22 and 1930-31 such exports exceeded such imports by \$40,903,000 and \$38,899,000 respectively.

The major portion of Australia's Empire trade is transacted with the Mother Country and this is particularly true of her export trade. Out of total imports of \$295,000,000 in 1930-31, \$116,000,000 or 39 p.c. came from the United Kingdom and \$41,237,000 or 14 p.c. from "other Empire countries". Total exports in the same year were \$361,000,000, \$161,000,000 or 44·6 p.c. of which went to the United Kingdom and \$35,000,000 or 9·6 p.c. to "other Empire countries".

**Union of South Africa.**—The trade of the Union of South Africa has increased remarkably during recent years. In 1913 it amounted to \$332,000,000 of which imports accounted for \$203,000,000. By 1921 it was \$584,000,000 and while imports had advanced to \$281,000,000 exports had increased by 136 p.c. and were then \$303,000,000. By 1926 total trade was \$700,000,000 and imports \$356,000,000 and in 1930 it receded to \$645,000,000 of which imports amounted to \$314,000,000.

Over these same years the percentage of imports from the Empire was highest in 1921, when it reached nearly 70 p.c. and lowest in 1930 when it was 59 p.c. The Union's exports to the Empire for these years varied between 82 p.c. in 1930 and 88 p.c. in 1921.

**Irish Free State.**—Total trade of the Irish Free State amounts to about \$500,000,000 annually. For 1926 and 1930 total imports exceeded total exports by \$98,000,000 and \$59,000,000 respectively. The proportion of import trade carried on with the British Empire has increased from

78 p.c. in 1926 to 82 p.c. in 1930. The proportion of export trade to British countries has decreased from 97 p.c. of total exports in 1926 to 93 p.c. in 1930. Practically the whole of this Empire trade has been with the United Kingdom.

**New Zealand.**—Total trade of New Zealand which was only \$207,000,000 in 1913 had risen to \$460,000,000 by 1926 and for 1930 was nearly \$423,000,000. Eighty-two p.c. of all imports and 92 p.c. of all exports were with Empire countries in 1913 and while the relative position of exports to the Empire has been fairly well maintained (95 p.c. in 1921, 87 p.c. in 1926 and 91 p.c. in 1930) the ratios of imports from the Empire to total imports over the same years *viz.*, 72, 68 and 68 indicate that a larger proportion of the great increase in New Zealand's import trade has been carried on outside the Empire.

The percentage of her imports from the United Kingdom has decreased from 61 in 1913 to 47 in 1930 but that of her exports has remained fairly steady being usually above 80 p.c.

**Newfoundland.**—Newfoundland's total trade in 1930-31 was about \$57,000,000 (imports were \$24,000,000 and exports \$33,000,000). This total trade has increased from \$30,000,000 in 1913, \$37,000,000 in 1921-22 and \$56,000,000 in 1926-27. The proportion of her trade carried on within the Empire has been fairly constant, about three-fifths of her import trade coming from British sources and about two-fifths of all exports going to British countries. Altogether for the year 1926-27 the proportion of exports to other parts of the Commonwealth was only 31 p.c.

Newfoundland's imports from the United Kingdom have shown a decrease from 27 p.c. of the total to 17 p.c. between 1913-14 and 1930-31, but have increased from "other Empire countries". The direct opposite has characterized her export trade, which has risen from 23 p.c. to nearly 29 p.c. with the United Kingdom over the same period and decreased from 18 p.c. to 9 p.c. with "other Empire countries".

**Southern Rhodesia.**—The trade of Southern Rhodesia is not large being comparable in total worth to that of Newfoundland. Her trade, however, has shown a bigger increase during the period 1913-30 than that of any other major unit of the Empire having risen from \$16,000,000 in the former year to \$63,000,000 in 1930. About three-quarters of imports valued at \$36,365,000 and rather more than this proportion of the exports valued at \$27,131,000 were transacted with other units of the Commonwealth in 1930. More than half her imports, \$19,200,000, and 38 p.c. of her exports, \$10,259,000, were with the United Kingdom during that year.

### **Empire Trade, Analysed by Leading Staple Products, in Recent Years**

**Alcoholic Beverages.**—The United Kingdom is both the greatest importer and the greatest exporter of alcoholic beverages in the British Empire. Out of imports valued at \$62,000,000 in 1930 nearly 52 p.c. came from Empire sources and out of domestic exports, in the same year, valued at \$45,000,000, two-thirds went to other countries of the Empire.

The United Kingdom's imports, so far as they came from the Empire, were mainly received from the Irish Free State (\$28,000,000 in 1930) and her domestic exports went principally to Canada, British India, Australia and New Zealand. In addition to domestic exports, a part of the United Kingdom import of Irish beers, especially Dublin porter, is re-exported to the above-mentioned Dominions in bottled form.

Canada is the second importing country for alcoholic beverages in the Empire and the Irish Free State is second in exports. Canada takes practically all her imports from the United Kingdom (\$29,500,000 of total imports of \$35,400,000 in 1930-31) but had total domestic exports of \$19,300,000 in 1930-31 of which only \$5,000,000 went to the Empire, chiefly British West Indies, and over \$14,000,000 went to foreign countries.

At the Imperial Conference Canada granted a preference of \$2 per gallon on alcoholic liquors having a content of more than 40 p.c. proof spirit, such as whiskey, gin and brandy, and pure alcohol. British Preferential, General and Intermediate tariffs, formerly \$10, \$10 and \$10 per gallon were made \$8, \$10 and \$10 respectively. Ale and porter, when bottled, benefit to the extent of 20 cents a gallon and, when imported in casks, to the extent of 10 cents a gallon. These concessions are designed to encourage the already well established Empire trade in these commodities.

**Asbestos.**—The United Kingdom is the chief Empire market for raw asbestos. At present she takes practically all her imports—\$3,312,000 worth of a total from all countries of \$3,449,000—from the Empire, chiefly from Southern Rhodesia. Canada is the greatest Empire producer of asbestos and of her exports, amounting to \$7,719,000 in 1930-31, only \$320,000 worth went to the United Kingdom and \$9,000 worth to Australia. The United States at present takes the major part of the Canadian production. The Union of South Africa exported a total of \$1,243,000 worth in 1930, less than half of which (\$552,000) went to the Empire (\$339,000 to the United Kingdom and \$153,000 to Australia). At the Conference, the United Kingdom agreed to continue the general tariffs of 10 and 15 p.c. *ad valorem* on raw and manufactured asbestos. The Empire product enters free and competition between Southern Rhodesia and Canada for the British market is, therefore, not changed materially.

**Butter.**—The United Kingdom is pre-eminently the Empire market for butter, though Canada in 1929 and 1930 ranked high as an importer of this commodity. The United Kingdom's imports of butter in 1930 (calendar year) reached the value of \$228,099,000 and of this total less than 44 p.c. or \$98,864,000 worth came from Empire sources. The chief foreign source of supply for the British market is Denmark, and the chief Empire sources are New Zealand, Australia and the Irish Free State, which supplied butter to the United Kingdom to the values of \$52,491,000, \$29,283,000 and \$15,940,000 respectively in the calendar year 1930. New Zealand has scientifically organized her dairy industry for export over a period of time, and in 1930 exported to the United Kingdom nearly as much creamery butter as Canada produced in that year. Canadian exports of butter were fairly large (\$3,352,000) in 1927, but between 1927 and 1930 her farmers appear to have diverted milk that went into butter and cheese to miscellaneous dairy products or exported it fresh to the United States. In the year ended March 31, 1930, Canada exported butter to the value of \$544,000 only, and imported, mainly from New Zealand, butter valued at \$14,472,000 in the same fiscal year. Since 1930, however, Canada has regained some lost ground in the export market. The duty on imported butter was raised and for the fiscal year ended March, 1932, our imports of butter were down to \$268,336, while exports even at the prices prevailing rose to \$2,363,000. Canada, therefore, is well on the way to re-establishing her position as a butter exporter, though like other Empire exporters her hopes in this direction centre chiefly on the



British market. Canada along with the other Dominions is to enjoy free entry for butter in the British market for three years certain and a preference margin of 15s. per cwt. (112 lb.) during the following two years, and the advantages which are secured on live cattle, condensed milk, milk powder, etc., will all tend to bring about a general increase in the price of creamery butter in which case Canadian agriculture will reap additional benefit.

**Cheese.**—As in the case of butter the United Kingdom is also the great market for cheese, but in this case 85 p.c. of her total imports came from Empire sources in the 1930 calendar year. New Zealand and Canada are the chief sources of supply, the former country supplying, in 1930, 62 p.c. of Britain's total imports and Canada furnishing 21 p.c. Between 1925 and 1930 the production of cheese in Canada declined from 177,000,000 lb. valued at \$36,000,000 to 119,000,000 lb. valued at \$18,000,000 and exports have similarly suffered, being 1,483,000 cwt. valued at \$34,000,000 in the fiscal year 1926 and 795,904 cwt. valued at \$12,989,726 in 1931. As in the case of butter, cheese and other dairy products are to enjoy free entry in the British market for three years certain and a guaranteed margin of preference during the following two years.

**Coal.**—The chief Empire market for coal is Canada, which in 1930-31 imported this mineral to the value of \$46,086,000. The Irish Free State had imports in 1930 to the value of \$15,712,000 and ranked second as an Empire market. The United Kingdom is the great exporter of coal. Her exports in the calendar year 1930 reached a value of \$222,200,000 and went all over the world, less than 11 p.c. going to Empire countries. The Irish Free State is the chief Empire customer of the United Kingdom, taking all her imports from that source. Only 13 p.c. of Canada's imports of coal came from the United Kingdom during 1930-31. Even far-away Australia finds it convenient to take most of her coal imports from the United Kingdom. Canada has, in the past, taken her coal imports almost entirely from the United States, but latterly a growing proportion of the trade, especially in anthracite, has been switched to the United Kingdom. The exchange situation has been instrumental in bringing about the change, but the 40 cents per ton tariff on American anthracite imposed in the spring of 1932 has also been a factor. Between 1930 and 1931 (fiscal years) imports of British anthracite increased from 787,000 tons to 918,000 tons. The addition of a further 10 cents per ton preference on British anthracite coal, given by Canada at the Conference, should tend to further increase this trade.

**Cotton Piece Goods.**—The United Kingdom has commanded a large part of the trade in cotton piece goods in the past owing to her exceptional facilities for producing cottons cheaply and the start she gained over all competitors due to her invention, long in advance of others, of spinning and weaving machinery which superseded hand labour.

British India is the chief market for Empire cotton goods. Her imports in 1930-31 had a value of \$73,184,000, 63 p.c. of which was supplied by the Empire which in this case practically meant the United Kingdom. Over recent years the United Kingdom's exports of cotton goods to India have been falling due to the systematic boycott of British goods by the Nationalists. The local cotton mills of Bombay have pro-

fitted somewhat although the real purpose of the Nationalists was to encourage native hand-spinning and weaving. India's own cotton manufacturing industry has, in fact, worked up an appreciable export trade with Ceylon and British Malaya. The Australian market came second, but took only \$19,451,000 worth of cotton goods in 1930-31. Again the United Kingdom furnished the major part, in this case 89 p.c. The Union of South Africa took \$17,000,000 worth of cotton piece goods, the United Kingdom furnishing nearly 65 p.c. Nigeria was fourth with imports valued at \$14,486,000 of which 88 p.c. were from Great Britain. British Malaya came next in importance importing such goods in the calendar year 1930 to the value of \$11,761,000 of which 36 p.c. came from the United Kingdom; more than 50 p.c. came from foreign sources.



The Reeling Department in an Empire Textile Factory.

*Courtesy, Department of the Interior.*

Although Canada has a well established cotton manufacturing industry of her own, her imports in 1930-31 were valued at \$11,541,000. Of these less than 40 p.c. came from Empire sources (the United Kingdom) and there was much discussion at the Conference with regard to increasing this proportion in the United Kingdom's favour in return for concessions in the way of trade in wheat and timber which Canada desired to trade on a reciprocal basis. Changes finally made in the Canadian tariff on cotton goods, resulting from the Imperial Conference, cover a wide group of textile products from yarns to clothing and the specific duties are generally reduced by one-third. As a result of some of these (especially the increased preferences on piece cottons, which are made free of duty) Canadian manufacturers may expect to face somewhat keener competition from Britain although the domestic industry is still substantially protected. The wider preference on mercerized cotton yarns, cotton duck, and other products not manufactured in Canada is expected to divert several million dollars worth of trade from the United States to the United Kingdom.

**Fish.**—The United Kingdom is the chief Empire market for fish, yet only about 15 p.c. of her total imports of \$52,272,000 came from Empire sources in 1930. Canada furnished about half of such imports and it was a natural conclusion that in any agreements made at the Conference relating to this branch of trade Canada would chiefly benefit. The Irish Free State, Newfoundland and the Union of South Africa supplied the other 50 p.c. of United Kingdom's imports from the Empire in almost equal proportions.

Besides being the chief importer of fish the United Kingdom is also the chief exporter, and of her exports in 1930 (\$34,261,000) under 12 p.c. went to Empire countries, chiefly to the Irish Free State and Australia. Australia, however, purchased more fish from Canada than she did from the United Kingdom in the year 1930-31, and the recent trade agreement between the two countries has encouraged this side of their trading relationship. British Malaya is a fairly large importer but mainly from foreign sources.

Canada was the second most important exporter of fish in the Empire in 1930-31, but less than 32 p.c. of her total exports were taken by other Empire countries. Our chief customers within the Empire, after the United Kingdom, are the British West Indies and Australia. Newfoundland ranked third as an exporter and, next to the United Kingdom, Canada is Newfoundland's best customer for fish and fish products.

As a result of the Conference agreements Canada will now enjoy free entry with 10 p.c. *ad valorem* preference on fresh sea fish, canned salmon, other canned fish and certain fish oils; free entry with 1½d per lb. preference on chilled or frozen salmon; free entry with 10 to 30 p.c. *ad valorem* preference on oysters (according to season) and other fresh shell fish; and free entry with 1s. 4d. per gallon preference on cod-liver oil (this last-named item mainly concerns Newfoundland). These preferences are expected to bring benefits to the Canadian salmon fisheries on both Atlantic and Pacific coasts, to the Maritime lobster fisheries and "sardine" industry.

**Fresh Fruits.**—To-day the trade in fresh fruits assumes considerable proportions. The United Kingdom is the greatest Empire market for fresh fruits and in 1930 imported such to the value of \$151,339,000, 37 p.c. coming from Empire sources. Great Britain carries on very little export trade in this commodity.

Canada is a large importer of fresh fruits (receiving \$21,021,000 worth in 1930-31) but only about 10 p.c. came from Empire sources. More recently the bi-lateral trade agreements, between Canada on the one side and Australia and New Zealand, have greatly increased imports from the Empire at the expense of the United States growers.

Exporters of domestic fresh fruit to the British market in 1930 in order of importance were: Union of South Africa, Australia, the British West Indies, Canada and New Zealand. The British West Indies is the greatest Empire exporter of fresh fruit but in 1930 less than half her exports were taken by Empire countries.

It is only within the past few years that the vast fruit-growing resources of the Dominions have become generally known, and the increasing cultivation of fruits in Canada, Australia, New Zealand, South Africa, the West Indies and Palestine has given practical proof of the ability of the Empire to supply the greater part of its fruit requirements. Cultivation, packing, transport, marketing and distribution are all intricate problems with such a perishable commodity and have received careful study, by all the governments concerned, with encouraging results.



A Fruit Auction, Glasgow.—These auctions are an essential link in the marketing of fruit; buyers from all over the British Isles gather there and fruits from every part of the Empire are sold to the highest bidder.  
*Courtesy Canadian Government Motion Picture Bureau.*



A Banana Plantation, British West Indies.  
*Courtesy Canadian National Railways*



Under the treaty with the United Kingdom, signed at the Imperial Conference, Canadian fresh fruit is to have free entry into the United Kingdom against a general tariff of 4s. 6d. per cwt. This should reduce the quantity of fresh fruit, especially apples, pears and plums, going to the United Kingdom from the United States and correspondingly stimulate Dominion, including Canadian, trade. Free entry is provided for dried apples as against a general tariff of 10s. 6d. per cwt. Trade in canned apples and canned tomatoes should benefit as a result of preferences maintained or newly established, and fruit-growers in Canada should be encouraged to better care of orchards and greater production as a result of the agreements reached.

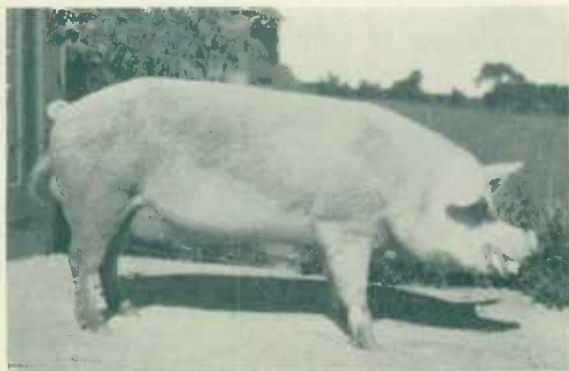
**Hides and Skins.**—The great leather tanning and boot and shoe manufacturing industries of the United Kingdom account for her large imports of raw hides and skins and the comparatively low level of her domestic exports. In 1930 imports to the United Kingdom from all countries were worth over \$45,000,000, 62 p.c. of which came from Empire sources. Domestic exports were only about \$3,000,000.

The chief exporters of domestic hides and skins in the Commonwealth are: British India, New Zealand, Nigeria, Union of South Africa, Canada and Australia, but the chief exporters of their domestic product to the British market are: New Zealand, Nigeria, and British India. British India carries on a great export trade with foreign countries. Her total domestic exports of hides and skins in 1930-31 were valued at nearly \$20,000,000, only 10 p.c. of which went directly to the Empire (chiefly the United Kingdom). India, however, in addition to domestic exports, sends to the United Kingdom hides and skins, other than domestic, to a considerable value. The Nigerian domestic product, on the other hand, largely reaches the United Kingdom indirectly through other countries. In the British trade returns imports from Nigeria for the calendar year 1930 are shown at only \$270,000, whereas Nigerian figures give domestic exports of hides and skins to the United Kingdom as \$2,087,000 out of a total of such exports to all countries of \$4,270,000.

Canada is in second place as an importer of hides and skins among Empire countries. In 1930-31 she imported \$4,700,000 worth and her domestic exports reached \$3,350,000. Both sides of her trade, however, are practically entirely with foreign countries. She is a heavier importer of hides and skins than exporter of the domestic product because of the large tanning and boot and shoe industry which utilizes hides and skins as raw material. The tariff on raw hides and skins was unchanged at the Conference but Canada extended increased preferences to the United Kingdom on certain manufactured leathers. The leather schedules of the Conference agreement cover important lines such as belting, sole leather, pig and morocco leathers and all leather further finished than tanned. Kip lining leathers, reptile leathers and upholstery leathers are made free of duty under the British Preferential tariff.

**Meats.**—The British are large consumers of meats and the United Kingdom imported meats to the value of \$542,000,000 in the calendar year 1930. Only about 20 p.c. of this huge import total came from Empire sources, mainly from New Zealand, the Irish Free State, Australia and Canada. There is little doubt that Canada is equipped to capture a much larger share of the trade, given some slight preference and the removal of restrictions. A big effort was made at the Conference to offer reciprocal benefits for concessions in this direction. In the case of

meats as much as of any commodity the four exporting Dominions rely on the United Kingdom as a market. Of New Zealand's total domestic exports of meats—\$54,000,000 in 1930—98 p.c. went to the United Kingdom. The Irish Free State sent almost all of her domestic exports of \$19,570,000, Australia 79 p.c. of her \$26,500,000 and Canada 52 p.c. of her \$6,100,000. Of all the Dominions the Union of South Africa is the only one whose export trade in meats with foreign countries exceeds that with Empire countries but her total exports in 1930 were only \$1,600,000 in value.



Pedigree  
"Yorkshire" Sow,  
Dominion  
Experimental  
Farm, Ottawa.

Group of  
"York-  
shire"  
Geldings.



**The Bacon Hog.**—The "Yorkshire" is one of the principal English 'white' breeds. Before the Canadian producer can derive the full benefit of the quota of bacon and hams agreed upon at the Conference, problems of breeding for quality and of marketing must be faced. Once the requirements of the British market are met the benefits offer to be substantial.

*Courtesy Canadian Government Motion Picture Bureau*

Bacon, beef, poultry and eggs were all accorded preferred treatment in the British market at the Conference which is expected to benefit Canadian farmers, slaughter-house operators and packers, and, indirectly, the entire country. Provision is made for the free entry into the United Kingdom of Canadian bacon and hams "of good quality" up to a maximum of 280,000,000 lb. per annum. Under this clause alone Canada's hog industry is likely to receive substantial encouragement during the next five years. This is a reasonable expectation in view of the trade figures: Canada's exports of bacon and hams to the United Kingdom in 1931 were less than 5 p.c. in quantity of those in 1918, when they attained their maximum; moreover they were substantially less than 1 p.c. of the total imports of bacon and hams into the United

Kingdom in 1931. The purpose of the British Government is to limit, and control as to quality, total imports of bacon and hams. The primary goal of the United Kingdom is to encourage the home hog-raising industry, but if Canada can establish a firm footing, on the basis of quality, within the next five years her ability to hold United Kingdom trade, even when the United Kingdom's own hog industry becomes more efficiently developed will be enhanced. The immediate value of the quota is recognized when export figures of the past five years are analysed from another point of view: the average exports of bacon, hams, shoulders and sides to the United Kingdom have been only 26,878,000 lb. per annum during that period—this is less than 10 p.c. of the quota now granted.

The removal of the restrictions under the Importation of Animals Act, 1922, upon the export of live cattle from Canada to the United Kingdom, which have very severely curtailed our live-cattle trade with that country is important, especially in view of the closing of the United States outlet for Canadian cattle following the enactment of the Hawley-Smoot tariff of 1930.

With a favourable price incentive Canada might easily double her production of poultry and eggs. The United Kingdom is a big importer of eggs and has assured Canada of free entry for three years against substantial rates of duty on foreign eggs.

**Paper.**—Canada is the largest exporter of newsprint in the world. In 1930-31 her domestic exports of paper were valued at \$132,000,000 or \$12.73 per head of her population. Our exports of paper go chiefly to the United States and only 11 p.c. was taken in 1930-31 by Empire countries: the United Kingdom took 6 p.c., Australia 1.8 p.c., New Zealand 1.25 p.c., and the Union of South Africa a little over 1 p.c. Among Empire countries the United Kingdom ranks a low second to Canada as an exporter of paper. She is able to compete in the export trade of some papers of the better grade although she has to import her raw material in the form of wood pulp. She is also a considerable manufacturer and exporter of newsprint. Newfoundland was third in the British Empire as an exporter, and paper, chiefly newsprint, left her shores to the value of over \$17,000,000 in 1930-31—\$8,000,000 worth of this went to the United Kingdom.

The greatest Empire market for paper is the United Kingdom which imported over \$87,000,000 worth in 1930. This country imports newsprint and the cheaper grades of paper in fairly large quantities but not sufficiently so to enable big exporters like Canada to look in that direction for the absorption of the bulk of their product. The international competition in newsprint is very keen and it would take very little to change the direction of much of the trade. Canada's markets in Australia, New Zealand and South Africa should benefit from the recent treaty agreements with these Dominions, but, as pointed out, these countries together took little more than 4 p.c. of Canada's total exports in 1930-31. At the Imperial Conference newsprint was not a matter of tariff adjustment between the United Kingdom and Canada being left to free competition in the world's markets. The continuance of the preferences under the Import Duties Act, however, guarantee to Canada margins of between 15 and 25 p.c. on kraft, glazed, and other high quality papers and on paper board for a period of five years.

**Rubber.**—The great rubber exporter of the Empire is British Malaya with Ceylon ranking a very low second and British India an almost insignificant third. For the calendar year 1930 the value of the domestic exports of raw rubber of the first-named country reached \$138,900,000 and that of the second \$18,400,000, while British India's domestic exports reached only \$4,736,000. Less than a quarter of the domestic exports of each country went to the Empire in this year.

The United Kingdom, which is the chief Empire market, imported \$51,700,000 worth in 1930, over 80 p.c. of the total imports coming from Empire sources; British Malaya supplied over 65 p.c., Ceylon nearly 9 p.c. and India 3.6 p.c. Canada imported raw rubber to the value of \$6,800,000 in 1930-31. This came almost entirely from the United States, but much of the rubber imported from the United States originated in British Malaya. Since the Conference crude rubber continues to enjoy free entry into Canada from all countries, but on vegetable gums such as crude unmanufactured balata and unmanufactured gutta percha 10 p.c. intermediate and general tariffs have been imposed.

**Sugar.**—The development of beet sugar production on the continent of Europe during the nineteenth century made rapid headway as it was



Processing Cocoa Beans  
in the British West Indies.

A Stack of Sugar Cane  
at Jamaica,  
British West Indies.



strongly supported by government bounties and there was at that time entire lack of co-operation between Empire producers and Empire sugar-using industries. It was the bounties on the export of beet sugar, introduced by Austria-Hungary in 1888, by Germany in 1891, and by France in



1897, that so stimulated the export of sugar as seriously to impair the sugar industry in the United Kingdom. To remedy conditions, an International Sugar Convention was held in Brussels in 1901, but failed to advance beyond academic pronouncements until the United Kingdom suddenly announced that equalizing duties would be introduced unless some agreement was reached for the removal of the bounties. Under this pressure the Brussels' Sugar Convention was finally signed on Mar. 5, 1902. The States party to the Convention assumed three essential obligations: first, to remove all direct and indirect production and export bounties on sugar; second, to reduce the import duty, exclusive of the consumption tax, to a fixed moderate level; third, to levy upon sugar coming from a country not a party to the Convention a counteracting duty equal to any bounty granted in that country. An important effect of the Convention from the United Kingdom's point of view was that it provided against the United Kingdom market being swamped with continental beet sugar to the exclusion of cane sugar from the Colonies. The cane producers of the Empire had been severely hit and almost crowded out of existence. The Great War turned the tables definitely in favour of the cane-sugar producers and the lessons learned, both then and earlier, caused the Empire producing and consuming countries to consider their joint interests more carefully.

As with so many other raw food products the United Kingdom is the chief Empire market for raw sugar. In 1930 her imports of this commodity had a valuation of nearly \$80,000,000, about 38 p.c. of which came from Empire sources. British India in 1930-31 imported \$38,000,000 worth of this foodstuff but took it from foreign sources almost entirely. India is a large producer but chiefly of crude forms of sugar which are consumed locally. There are several Empire exporters of sugar. It is a main crop in the small island of Mauritius to the east of Madagascar in the Indian ocean. This island exported \$18,000,000 worth in 1929 (the last year for which figures are available). Next in importance as Empire exporters come the British West Indies (\$10,900,000 in 1930), Australia (\$8,800,000 in 1930-31), Union of South Africa (\$7,150,000 in 1930), British Guiana (\$5,400,000 in 1930), and Fiji (\$4,150,000 in 1930). All these producers of Empire sugar sell all their product within the Empire and yet the great consuming countries of the Commonwealth look outside for a large part of their requirements.

Canada imported in 1930-31 nearly \$22,000,000 worth of raw sugar, chiefly from the British West Indies (of whose total exports Canada took 73 p.c.), British Guiana, Fiji and the Union of South Africa.

In April, 1932, the United Kingdom increased preference on sugar of colonial origin. The effect of the preference, apparently, has been to increase the inducement of Australia and South Africa (Natal) to export sugar to Canada and of the British West Indies to export to the United Kingdom.

**Tobacco.**—In 1919 a preference was granted by the United Kingdom on Empire-grown tobacco equal to a reduction of one-sixth in the regular duty. This was increased to one-fourth in 1925 and the United Kingdom consumption of Empire-grown tobacco has since then increased from 17,880,000 lb. in 1926 to 25,652,000 lb. in 1930. This increase was shared by all the Dominions. The United Kingdom, however, still bought five times as much tobacco from outside the Empire as from within.

Several parts of the Empire are capable of producing leaf tobacco of good quality but at present the only such countries which export it to any considerable extent are: British India, Canada and Southern Rhodesia, the two former countries being much the older producers.

In 1930-31 India exported domestic leaf to the extent of \$3,530,000. Canada and Southern Rhodesia recorded domestic exports to the value of about \$1,500,000 each.

The Canadian production of tobacco leaf in 1930 was 36,716,917 lb. and in 1931, 51,300,000 lb. The chief kinds grown are bright flue-cured and Burley. A characteristic feature of recent times has been the great increase in these two kinds, the growing of dark air-cured and fire-cured and the Quebec large and small pipe tobaccos having shown marked decreases. Cigar leaf has remained fairly constant at between 10 and 14 p.c. of the whole.

Canada's exports of raw tobacco to the United Kingdom in the first six months of 1932, in actual quantity, were more than twice those of the same period in 1931 and nearly three times those of January to June 1930.

As in the case of sugar, Empire producers (with the exceptions of the Union of South Africa, and British Malaya) find a market in the United Kingdom for large proportions of all they export. Even so, less than 15 p.c. of the leaf imported into the United Kingdom in the calendar year 1930 was of Empire origin. The United States dominates the United Kingdom market in this commodity but her wide advantage is decreasing. The United Kingdom entrepôt trade in tobacco is extensive, but important also is the manufacture of blended raw leaf into cigarette and smoking tobacco forms which are exported in large quantities. Much of the importation of leaf from the Dominions is, in fact, used for blending



A Crop of semi-tropical Empire-grown Tobacco.

purposes, although there are manufacturers who specialize in brands consisting entirely of Empire-grown tobaccos and whose product is becoming increasingly popular with consumers.

In 1930 the United Kingdom imported a total amount of raw tobacco valued at \$71,000,000; next in the Empire, as an importer, came Australia with imports of \$6,900,000. Canada was third with \$5,500,000 and the Irish Free State fourth with \$3,700,000. Canada therefore is an appreciable importer as well as an exporter. Canadian and Australian imports come direct from foreign sources but the Irish Free State has, in the past, taken her imports through the United Kingdom.

At the Imperial Economic Conference the United Kingdom agreed, for a period of ten years, to continue the present margins of preference, amounting to 2s. 0½d. on unmanufactured, and about 2s. 3d. on certain other kinds, unless the duty on foreign tobacco is reduced to less than the present margin, when the Empire preference will equal the duty. The very fact that Empire growers are assured of this substantial concession will enable producers and exporters to plan ahead with confidence. The Prime Minister in his speech before the House, when tabling the agreements on Oct. 12, pointed out that Canada's potential production of bright flue-cured tobacco for five years may be conservatively estimated at 50 p.c. increase and within ten years at 100 p.c. increase. In 1930 about three-quarters of Canada's production of tobacco went to the United Kingdom, but the Canadian product amounted to only about 1·7 p.c. of British imports of tobacco.

**Wheat.**—The great Empire producer and exporter of wheat is, of course, Canada, but Australia is also a considerable producer for export. British India exports a relatively small amount of which practically all goes to the United Kingdom market.

The great importing country of the Empire is naturally the United Kingdom, with her densely populated areas and relatively small home production of the grain. During the calendar year 1930 imports to the value of nearly \$210,000,000 were recorded by the United Kingdom, 26 p.c. or \$55,000,000 of which came from Canada, about 13 p.c. from Australia and about 3 p.c. or \$6,700,000 from British India.

As regards Canada, however, the British figures are hardly representative, since some of our grain is exported through the United States and on that account is shown as of foreign source in United Kingdom returns. When the figures are adjusted, it is found that about one-third of British imports came from Canada in 1930.

Of late years the United Kingdom has imported increasing quantities of wheat from Soviet Russia, and the efforts of Canadian and Australian delegates to the Conference were centered on diverting this traffic to Empire channels. The conversations between the delegates have resulted in the imposition of a general tariff rate of 3d. or 6 cents per bushel on foreign wheat imported into the British market while the Empire product continues free. In his speech before the House, the Prime Minister said that the chief value of the preference was in securing a definite market in the greatest wheat importing country. The preference is expected to increase the Canadian wheat purchases of British importers.

**Wheat Flour.**—The United Kingdom mills the greater part of her flour from the wheat she imports from various sources and which her millers blend to meet the market requirements or their own interests.

Nevertheless in the calendar year 1930 she imported wheat flour to the value of over \$32,000,000—56 p.c. of which was imported from Empire sources (Canada supplied nearly 41 p.c. and Australia 14 p.c.). In the past the United Kingdom has exported a limited quantity of flour mainly to the Irish Free State. In 1930 the total flour exports reached \$13,600,000, of which the Irish Free State took \$9,200,000.

The chief Empire exporters of flour are Canada and Australia. Of the total Canadian export in the fiscal year 1930-31 valued at nearly \$33,000,000 nearly two-thirds went to Empire countries—38 p.c. to the United Kingdom, over 11 p.c. to the West Indies, over 4 p.c. to Newfoundland and about 3½ p.c. to the Irish Free State.

Out of flour valued at \$17,000,000 exported from Australia in 1930-31 only about 24 p.c. went to the United Kingdom. Other Empire markets of some importance to Australia were British Malaya, Ceylon and the Union of South Africa, but more than half the Australian exports went to foreign countries in that year.

Among the duties imposed by the United Kingdom early in 1932 was a duty of 10 p.c. *ad valorem* on foreign flour. This tended to give to Canada the business of milling flour from Canadian wheat, formerly carried on in Buffalo, business which United Kingdom millers had hoped to get. It was to Canada's interest to retain this business, as the importation of flour milled from straight Canadian wheat is in demand in the United Kingdom. When the milling is done in the United Kingdom the quality of the flour sometimes suffers by the mixing of inferior wheat with the Canadian grain.

At the Conference the preference on Canadian flour was retained. The secured place thus gained in the British market means that British domestic millers can compete with Canadian flour only if they use Canadian wheat standards.

**Wood and Timber.**—The situation with regard to Canadian wood and timber in the United Kingdom market is of such importance that it will be of advantage to review the tariff changes in the light of history. During the eighteenth century (actually from 1721 to 1809), Canadian timber enjoyed free entry into the United Kingdom market as against a high tariff on wood from continental Europe. Even after 1809 it was only the necessities of war which brought about the imposition of a duty on wood from British Colonies and at the same time the duty on wood from continental Europe was increased so that the relative preferred position of Canadian timber was retained until 1820. In this year, a select committee of the House of Lords, investigating timber, found that for shipbuilding purposes (then the main wood-using industry) European timber was superior to Canadian, and only such discrimination in favour of the Canadian product as would suffice to neutralize the heavy burden of freight was recommended. There followed substantial increases in the duty on Canadian deals and reductions on European woods. In 1860, when free trade had asserted itself, the duty on all wood and timber was reduced to a low single rate; six years later this was repealed and wood became free.

Canada has suffered from the partial loss of the United Kingdom market since 1860 and made every effort to recover a large part through negotiation at the Conference. Possessing as she does the greatest Empire reserves of the soft-wood species mainly in demand for commercial purposes but at present largely imported by the United Kingdom from the Scandinavian countries and from Soviet Russia, she was in an admirable



position to make trade in this commodity a *quid pro quo* in the discussions and negotiations which took place.

The United Kingdom imported in the calendar year 1930 timber valued at more than \$166,000,000, only about 10 p.c. of which came from Empire sources, undoubtedly including a certain amount of timber re-exported from Empire countries and not actually grown in the Empire. The Union of South Africa and Canada ranked next to the United Kingdom as Empire importers of wood and timber but their imports amounted to only about \$8,000,000 and \$6,000,000 respectively in 1930 and 1931.

Out of \$34,000,000 worth of wood and timber exported from Canada in 1930-31 about 79 p.c. went to foreign countries. The United Kingdom took less than 17 p.c. Other Empire exporters are British India and Australia. British India produces mainly hardwoods and exports principally to the United Kingdom and the Empire. Australian timber also goes mainly to the Empire but the chief market in 1930 was New Zealand, with the United Kingdom and South Africa coming second and third. The products are chiefly Western Australia hardwoods, jarrah and karri, used extensively for railway sleepers and exposed structures of all sorts.

In respect to timber products the agreement reached at the Conference ensures continued free entry and a minimum margin of 10 p.c. *ad valorem* in respect of timber of all kinds imported into the United Kingdom except lumber for shipbuilding, pit props and logs of pine, spruce or aspen of small sizes. It is estimated that of the sawn timber annually imported into the United Kingdom Canada could supply about 80 p.c. The advantage of a preference to Canada has already been shown in the substantial increase in exports since the Import Duties Act has been operative. Imports into the United Kingdom from Canada have jumped from 29,500,000 b.f. of sawn softwood for the first half of 1931 to 49,600,000 b.f. for the corresponding months of 1932. The advantage was gained chiefly at the expense of United States trade. It has particularly benefited British Columbia as against the States of Washington and Oregon.

A sidelight on the extent of imports of softwoods from Soviet Russia into the United Kingdom previous to the Conference is afforded by quantity figures for the first six months of 1932. In this period the United Kingdom imported 230,372,400 ft. b.m. of the coniferous species from the Soviet Republic. She imported also 51,771,000 ft. b.m. of softwood and 94,755,180 ft. b.m. of hardwood from the United States and 54,876,600 ft. b.m. of softwood and 23,103,612 ft. b.m. of hardwood from Canada. As a direct result of the Conference the United Kingdom gave notice to the Soviet Republic on Oct. 17, 1932, to terminate the Temporary Commercial Agreement of April 16, 1930. The Agreement will cease to be in force from April 17, 1933.

**Wood Pulp.**—Trade in this commodity so far as it is carried on by Empire countries is almost entirely monopolized by the United Kingdom and Canada, but both these countries' trade is practically entirely with foreign nations. The former imports from the Scandinavian countries of continental Europe, and the latter exports chiefly to the United States. United Kingdom imports in 1930 were valued at \$49,000,000 and Canadian exports in 1930-31 at \$35,000,000. As in the case of paper, free world markets exist for this commodity and negotiations conducted at the Conference did not disturb the existing situation.

**Wool.**—Australia, New Zealand and the Union of South Africa are the great raw wool producers and exporters of the Empire. The woollen



mills of the United Kingdom retain much of the advantage they have held for a century and a half as makers of fine woollens and the United Kingdom is still the world's market for raw wool.

The total domestic exports of Australia in 1930-31 were valued at \$155,000,000, those of New Zealand in 1930 at \$32,000,000 and those of the Union of South Africa in the calendar year 1930 at \$42,000,000. The percentages going to the United Kingdom market were 32, 94 and 42 respectively. New Zealand alone of the Dominions disposes of the greater part of her export surplus in the United Kingdom.

The United Kingdom imported, all told, \$206,708,000 worth of wool in the calendar year 1930, but over 83 p.c. came from Empire sources, so that opportunities for increasing Empire exports to that market are limited.

Canada was an importer of raw wool to the extent of \$3,000,000 in 1930-31 and has increased her home production in late years. Previous to the New Zealand trade agreement of May, 1932, raw wool from all countries was admitted free into Canada. At that time the British Preferential rate was left free but the Intermediate and General rates, applying to countries outside the Empire, were placed at 10 and 15 cents per lb. respectively.

At the Conference Canada moderately reduced the specific duties on woollen goods—from yarns to clothing—by at least one-quarter on every item where such duties were operative. On blankets and carpets the specific duty is cut in half, and hair yarns, lustres, linings, light-weight grey fabrics, and billiard cloth are made duty free.

### The Achievements of the Conference

Four trade agreements were made between Canada and other countries of the Empire at the Imperial Economic Conference. These were with the United Kingdom, the Union of South Africa, the Irish Free State and Southern Rhodesia. By far the most important was the Anglo-Canadian agreement.

In the treatment of intra-Empire trade by individual commodities, pp. 24 to 39, the tariff changes made or continued have been broadly considered in relation to the items there discussed. This, however, does not give a sufficiently comprehensive view of the changes in tariff structure as a whole to enable one to grasp the significance of the adjustments made, nor does it illustrate the guiding principles governing the changes as a whole. It is therefore necessary to bring together the changes and relate them one to another before it is possible to estimate, even approximately, how far the purposes of the Conference were attained.

**Canada's Position in the British Market.**—The beneficial results of the substantial preferences granted by the United Kingdom under the Import Duties Act (see p. 16), pending the outcome of the Conference became immediately apparent in our trade figures at a time when our United States trade had been severely hit, and it was made clear that the Conference would not be successful if it did not at least ensure to Canada the retention of the preferences and where possible their extension to those products which had been excepted. The Canadian Delegation succeeded in not only securing the continuance of the preferences for, in most cases, a period of five years, but in greatly widening their scope. The grain grower, the mixed farmer who raises cattle and hogs in addition to grain, the dairy

farmer, the fruit grower, the tobacco grower, the rancher and breeder of live stock, will, as a result, enjoy a larger demand for their products. Activity will be stimulated in the lumber camps of Eastern Canada and British Columbia through the throwing open of the British market where, heretofore, Canadian has not been able to compete with Russian timber. Canada's great base-metal mines and refineries in Quebec, Ontario, Manitoba and British Columbia, will benefit from the preferences on copper,



Watering Cattle on a Ranch in Alberta.—The removal of restrictions on the importation of Canadian cattle into the United Kingdom (see p. 32) again opens up this market to the western rancher and cattle breeder.

*Courtesy Canadian Government Motion Picture Bureau*

lead and zinc which largely offset the disadvantage they have recently been placed at in the United States market.<sup>1</sup> The Canadian fishing industry, which has also felt the depression, is expected to benefit from the preferences secured. Our manufacturing industries will benefit from the advantages secured throughout a broadened Empire market, and they should be able to capture a large share of that portion of the former United States trade in which they are able to compete successfully with the manufacturer of the United Kingdom.

The effects of these preferences will be cumulative as the new trade channels are cut and deepened. When our producers and exporters have had time to co-operate in making the most of the new opportunities, and learn to send only the best grades of our products overseas and to guarantee a continuous, well-conditioned supply, the real benefits will become more apparent.

Free entry into the United Kingdom in respect of manufactured goods means that the Canadian manufacturer is given equality with the United Kingdom manufacturer in that market, with very few exceptions and except as regards the freight charges due to distance from the market. Already we have benefited as regards our manufactures of cereal foods, wooden ware, paper boards, wrapping paper, wall boards, rubber footwear,

<sup>1</sup> While the British tariff on base metals does not guarantee any price advantage to the producers of the Empire it does assure them of the entire British market.

rubber soles and heels, socks and stockings, photographic films, office furniture, hardware, brass valves, radio parts, agricultural machinery, electrical appliances and other branches of industry where we are well fitted to compete.

As pointed out by the Prime Minister, on October 12, 1932, when tabling the agreements in the House, Canada will naturally benefit more than any other Dominion from the preferences on manufactured goods. She alone of the Dominions is equipped to manufacture for export to the United Kingdom many of the manufactured articles heretofore supplied by the United States and other foreign countries. But benefits are not limited to the United Kingdom market, substantial though that is. They also extend to the vast colonial empire with its immense potentialities. It was agreed also that the United Kingdom should seek to enlarge the range of preferences in the Colonies on articles of special importance to Canada, including rubber footwear, motor cars and parts, socks and stockings, electrical appliances, hardware, furniture, lumber and food products.

**The United Kingdom's Position in the Canadian Market.**—The general principle governing Canada's concessions to the United Kingdom was that we should maintain a tariff, though a preferential one, against their products. In explaining the position the Prime Minister said, "It was not to be expected that the industrial structure of this country could permit of free entry from such a highly developed State as the United Kingdom with her more than forty millions of people. But it was our purpose to adjust our preferential tariffs so as to place the United Kingdom producers on that basis of fair competition with ours that has been afforded to us by continued free entry into their market". Special considerations were to govern in the case of Canadian industries not fully established and with regard to "efficient" industries.

The tariff changes to be made, once this principle was accepted, became a matter of nice adjustment which time alone can evaluate. It was provided, however, that the Canadian Tariff Board (the establishment was provided for last session but the personnel has not yet been appointed) should act as a judicial as well as a fact-finding body. To this tribunal, upon representation of the British Government, a survey of the relevant facts regarding production, labour costs, etc., concerning any industry are to be made, and the facts are then to be presented, with the recommendation of the Board, to the Canadian Parliament in order that it may be enabled to see that the spirit and letter of the undertakings with the United Kingdom are being carried out and that the underlying principle of fair competition is observed. Ultimate responsibility for changes made will still rest with the Government but the Tariff Board will provide a means by which the facts may be presented and a recommendation of experts obtained. British manufacturers have the right to appear before the Tariff Board.

Actual changes were made in 225 Canadian tariff items, on 223 of which the margin of the British preference was increased. The tariff was lowered on 133 items, more than half of which were placed on the free list; in the other cases the margin was increased by raising the Intermediate and General tariffs.

By major groups, the tariff changes mainly concern iron and steel, drugs and chemicals, textiles, leather goods, glass, vegetable oils, as well as a wide list of miscellaneous commodities.

As regards iron and steel, the changes aim to give a material widening of the preference on primary forms such as steel plates; black, galvanized and tinned sheets; boiler plates; and various kinds of strip and hoop steel. The preference is also widened on steel tires, railway axles, wire products, steel chains, certain machinery, cutlery and small tools. Duties are removed entirely on poundage steel in bars; large bars for shafting; case-ment sections; rust and heat resisting steels; certain special steels; tram-way rails; heavy structural shapes; forgings; automobile engines of heavy rating; telephone and radio apparatus, etc. Automobiles, motor trucks and motorcycles are also given free entry.

The above changes in the iron and steel schedules are estimated to give the United Kingdom a chance on at least \$30,000,000 of business annually now going to the United States. It is not thought that the Canadian industry will be affected. The demand which exists in Canada for the British type of automobile will be encouraged and the concessions made to British manufacturers of cutlery, pen-knives and scissors are considered substantial.

Very valuable changes from the standpoint of British trade were made in the field of drugs and chemicals. In this respect the Canadian schedules were thoroughly revised with the object of shifting trade from foreign to Empire channels. In the words of the Prime Minister, "the immediate diversion (of this trade) will be great; the potential, incalculable". In this scientific age, the chemical industry is rapidly becoming the indispensable foundation of our civilization and is growing by leaps and bounds. Business now running to nearly \$11,000,000 annually, 60 p.c. of which has been carried on with the United States and only about 14 p.c. with the United Kingdom, is affected under this heading.

Under the heading of textiles, the changes made have been outlined on pp. 26 and 27, except as regards linen and jute. In relation to cottons and woollens, the concessions are not as substantial as were perhaps expected in some quarters, but the principle of "efficient" home industry had to be considered in the discussions. All linen fabric and articles such as are not made in Canada are made free of all duty under the British preferential tariff as are also certain jute fabrics. Total imports of textiles amounted to \$131,000,000 in 1930-31. About \$25,000,000 of this business is affected by the changes.

The changes in the leather schedules are referred to on p. 30.

As regards glass, the British preference has been widened on every item of the flat glass schedule. What this signifies is better understood when it is stated that the manufacture of flat glass is not developed in Canada, our glass industry being connected chiefly with bottles and other shapes. Flat glass imports have chiefly come from continental Europe, especially Belgium, and the tariff changes should now divert most of this trade to the United Kingdom. Our imports of flat glass in the fiscal year 1932 amounted to \$2,388,000.

An Empire policy has also been followed in respect of vegetable oils which Canada imported to the value of \$7,000,000 even in the sub-normal fiscal year 1932. Five million dollars worth of the total came from foreign sources. The changes made should effect a diversion of much of this trade to various parts of the Empire.

The above tariff changes along with those concerning miscellaneous industries announced on October 12, 1932, constitute the beginning of the revision of the Canadian preferential tariff. As already indicated the work is to be continued by Parliament as a result of the investigations of the



Tariff Board. (See p. 41.) In addition the Canadian Government has undertaken to abolish surcharges on United Kingdom products as soon as Canada's finances permit, and to give consideration to the United Kingdom's request that exchange dumping duties be abolished.

**The Agreement with South Africa.**—The agreement between Canada and the Union of South Africa places commercial relations between these two Dominions on a treaty basis for the first time. It covers the principal commodities which each Dominion can sell to the other, but is naturally more limited in scope than the trade agreements concluded earlier with Australia and New Zealand. A considerable extension of the preferred list of commodities has been obtained for Canada. Special consideration has been given to corn from South Africa, although fruits in certain seasons, peanuts, sugar and molasses are also given consideration. Wheat, canned goods, motor cars, electrical appliances, rubber goods and paper products are the chief items on which concessions are made to Canada.

**The Agreement with the Irish Free State.**—This agreement secures for all goods the produce and manufacture of Canada imported into the Irish Free State the benefits of the lowest rates of duty accorded to similar products of any country. In return, goods the produce of the Irish Free State when imported into Canada, will be accorded the same tariff treatment as similar goods imported from the United Kingdom.

**The Agreement with Southern Rhodesia.**—Provision is made in this agreement for the exchange of preferential treatment on selected lists of commodities. In addition, other goods not enumerated in the schedules continue to enjoy the benefits of existing and future British preferences. Indian corn, citrous fruits and peanuts are given free entry by Canada, whereas Southern Rhodesia gives our manufacturers important concessions on farm machinery, boots and shoes, and wood and paper products, which should enable them to successfully compete with foreign countries for at least a share of this trade.

In addition to the four agreements with the United Kingdom, the Union of South Africa, the Irish Free State, and Southern Rhodesia, conversations took place with the delegations from India, Australia and New Zealand which served to provide an opportunity for examining the openings for mutual trade and, with regard to Australia and New Zealand, on the supplementing of the trade agreements of 1931 and 1932 respectively.

Further negotiations are being conducted which may lead to the conclusion of other agreements, and in the case of New Zealand, since the 1932 agreement was for one year only, to the establishment of trading relations for a longer period.

Complementary to the trade agreements concluded with the four sister Dominions the Conference devoted a great deal of consideration to the existing inter-relationships of the various currencies and monetary standards of the Empire and the effects of exchange rates on trade, as well as to the desirability and feasibility of taking steps to restore and stabilize the general price level and to stabilize exchange. While the Conference recognized, after a thorough discussion, that monetary problems could not well be solved on an exclusively intra-Imperial basis, the work done was a step forward in preparation for the forthcoming World Economic Conference. Moreover, the Conference provided an opportunity for a valuable exchange of views on matters of economic co-operation within the Commonwealth, including industrial standardization, and the grading and standards of agricultural products.



So much then for the actual work of the Conference. To attempt to forecast the results with more exactness or confidence would be impossible at present for, while many of the preferences accorded to Canada have already been in operation for a sufficient time to indicate their value and are in most cases specifically stated, the ultimate values of the concessions granted to Britain in the Canadian market are not so clear at this time. They are based on what is considered to be a just principle,



Picking Grapefruit, Jamaica, B.W.I.

*Courtesy Canadian National Railways*

but in many cases the proper degree of protection to be given our own industries, whether regarded as "efficient" or in process of establishment, has yet to be decided by Parliament through the machinery set up in the Tariff Board. But, aside altogether from the tangible results of the Conference, there were intangible benefits which, though not subject to appraisal or exact statement, must not be overlooked. There is no doubt that the Empire statesmen have now a clearer understanding of each others difficulties as a result of being brought face to face with the cold facts and complicated domestic problems of each part of the Commonwealth.

That the Conference agreements will result in increasing the establishment of branch factories in Canada is generally admitted. The United States will not be prepared to stand idle and see her valuable export trade to Canada and the Empire cut to shreds without exerting every effort to save what she can, and the best way of meeting the situation would seem to be for her manufacturers to make their goods here.

If the Government has been unable to make such concessions as were hoped for in some quarters, Canada's industrial structure has been amply safeguarded and the machinery has been provided for later adjustment of tariffs according to a definite principle.

## CHAPTER II

### WEALTH, PRODUCTION AND INCOME —CAPITAL INVESTMENTS

#### Wealth

"National Wealth" in this analysis is a concrete concept and includes all our farms, factories, equipment, merchandise in stock, real estate, roads, highways, developed resources and the thousand and one material things which we as a nation possess.



Assembling Agricultural Machines in a Canadian Plant.

*Courtesy Canadian Government Motion Picture Bureau.*

Some difficulty arises when we try to reduce all the things which go to make up this wealth (things which once created are not themselves subject to violent change) to a common denominator. Estimates of national wealth must always be expressed in terms of the national currency and thus normally in terms of gold dollars. Yet the purchasing power of the currency unit is always fluctuating and between 1929 and the present has increased by more than 50 p.c. in terms of wholesale prices. Even in 1930, the average index number of wholesale prices was down by nearly 10 p.c. from 1929, while in December of that year the average index number of wholesale prices was 19 p.c. lower than in the same month of 1929.

The effect of such drastic reductions in prices is first felt by the commodities which are being currently produced and, through these commodities, diminishes the dollar value of production and consequently the national income of a country where most people are producers. Ultimately a persistent decline of this character affects the capital values of real estate, buildings, machinery, etc., and its influence is then felt in a reduction in the national wealth as stated in dollars. For 1930, however, the capital value of our national wealth has not yet had time to be seriously affected by the great drop in prices, and any attempt to estimate the wealth of Canada for that year must be open to serious error until such adjustment has been made. The 1929 estimate, which is considered to represent fairly well values in that year is, therefore, the latest which has been compiled by the Bureau of Statistics and the table below shows the national wealth on that basis.

### Estimate of the National Wealth of Canada, 1929

Classification of Wealth	Aggregate Amount	Percentage of Total	Average Amount per head of Population
	\$	p.c.	\$
Farm Values (land, buildings, implements, machinery and livestock).....	6,308,353,000	20.45	643.92
Agricultural Products in the possession of farmers and traders.....	1,631,124,000	5.29	166.50
Totals, Agricultural Wealth.....	7,939,477,000	25.74	810.42
Mines (capital employed).....	867,021,000	2.81	88.50
Forests (estimated value of accessible raw materials, pulpwood and capital invested in woods operations).....	1,877,000,000	6.09	191.59
Fisheries (capital invested in boats, gear, etc., in primary operations).....	33,935,000	0.11	3.46
Central Electric Stations (capital invested in equipment, materials, etc.).....	554,327,000	1.80	56.58
Manufactures (machinery and tools, and estimate for capital in rural lands and buildings, duplication excluded).....	1,418,040,000	4.80	144.75
Manufactures (materials on hand and stocks in process, duplication excluded).....	837,805,000	2.72	85.52
Construction, Custom and Repair (estimate of capital invested in machinery and tools and materials on hand).....	137,685,000	0.45	14.05
Trading Establishments (estimate of the value of furniture and fixtures, delivery equipment and materials on hand).....	1,136,291,000	3.68	115.99
Steam Railways (investment in road and equipment).....	3,153,351,000	10.22	321.88
Electric Railways (investment in road and equipment).....	240,111,000	0.78	24.51
Telephones (cost of property and equipment).....	291,589,000	0.95	29.76
Urban Real Property (assessed valuations and exempted property and estimate for under valuation by assessors and for roads, sewers, etc.).....	8,251,011,000	26.75	842.21
Canals (amount expended on construction to March 31, 1930).....	241,946,000	0.79	24.70
Harbours (approximate amount expended to March 31, 1930).....	367,488,000	1.19	37.51
Shipping (including aircraft).....	149,306,000	0.48	15.24
Imported Merchandise in store (estimated at one-half imports during 1929).....	649,477,000	2.11	66.29
Automobiles (estimate of the value of automobiles registered).....	758,424,000	2.46	77.42
Highways, etc.....	364,896,000	1.18	37.25
Household Furnishings, Clothing, etc. (value estimated from production and trade statistics).....	1,370,000,000	4.44	139.84
Specie, Coin and other Currency held by the Government, chartered banks and the general public.....	201,030,000	0.65	20.52
Totals.....	30,840,210,000	100.00	3,147.99

The tangible wealth of Canada, apart from undeveloped natural resources, was estimated at about \$31 billions in 1929. This represented an increase of about \$9 billions since 1921. There is no earlier figure that is strictly comparable, but it is fairly certain that there was a growth of over four times between 1900 and 1929. Agricultural values made up about \$8 billions of the 1929 total, urban real estate over \$8 billions, and steam railways over \$3 billions. Ontario owns about one-third, Quebec over one-quarter, and Saskatchewan just under one-tenth. British Columbia, Alberta and Manitoba follow closely in the order named. The following table gives the provincial distribution.

**Provincial Distribution of the National Wealth of Canada, 1929**

Province	Estimated Wealth	Percentage Distribution of Wealth	Estimated Population June 1, 1929	Percentage Distribution of Population	Wealth per capita
	\$	p.c.	No.	p.c.	\$
P.E.I.	164,000,000	0.53	86,100	0.88	1,905
Nova Scotia	911,000,000	2.95	550,400	5.62	1,655
New Brunswick	788,000,000	2.56	419,300	4.28	1,879
Quebec	8,265,000,000	26.80	2,690,400	27.46	3,072
Ontario	10,628,000,000	34.46	3,271,500	33.39	3,240
Manitoba	1,970,000,000	6.39	663,200	6.77	2,970
Saskatchewan	3,047,000,000	9.88	866,700	8.85	3,516
Alberta	2,406,000,000	7.80	646,000	6.60	3,724
British Columbia	2,644,000,000	8.57	591,000	6.03	4,474
Yukon	17,000,000	0.06	3,000	0.03	?
Canada	30,840,000,000	100.00	9,796,800 <sup>1</sup>	100.00 <sup>1</sup>	3,148

<sup>1</sup> Includes 9,400 population in the Northwest Territories or 0.09 p.c.

<sup>2</sup> As the statistics for the Yukon are uncertain the per capita estimate of wealth is open to question and has not been shown.

## Production

Under the term "production" are usually included the activities of agriculture, fishing, mining, forestry, power development, manufactures and construction. This does not imply that many other activities, such as transportation, merchandising, professional services, etc., are not also "productive" in a broad economic sense. It is usual, however, to regard the processes involved in the creation of materials or their making over into new forms as constituting "production" in a special sense. Of this a bird's-eye view is given in the table on p. 48, which shows the gross and net value of production in each of the divisions of industry above mentioned. In a second table a summary of the value of total production in Canada is given by provinces.

A distinction is made between "gross" and "net" production. By "net" production is meant the value left in the producer's hands after the elimination of the value of the materials consumed in the process of production. This net figure is a much better criterion for measuring the value of an industry than the gross.

For 1930, as was to be expected, production, both gross and net, showed a pronounced falling off from the high 1929 level. All six groups of primary production, with the exception of electric power, and all three groups of secondary production were affected. The total net value of



primary production is, in fact, lower for 1930 than it was for each of the years 1925 to 1929 inclusive, but greater than in the years 1921 to 1924 by 14.5 p.c., 9.5 p.c., 5.4 p.c., and 6.6 p.c. respectively.

### Summary by Industries of the Value of Production in Canada, 1929 and 1930

Industry	1929		1930	
	Gross	Net <sup>1</sup>	Gross	Net <sup>1</sup>
	\$	\$	\$	\$
Agriculture.....	1,729,821,129	1,034,129,824	1,346,363,659	758,791,743
Forestry.....	495,592,847	337,649,078	440,362,351	303,145,169
Fisheries.....	70,580,223	53,518,521	63,743,353	47,804,216
Trapping.....	16,356,447	16,356,447	9,875,955	9,875,955
Mining.....	352,266,692	310,850,246	325,184,050	279,873,678
Electric Power.....	157,499,385	122,883,446	164,833,913	126,038,145
<b>Totals, Primary Production..</b>	<b>2,822,116,723</b>	<b>1,875,387,562</b>	<b>2,350,353,281</b>	<b>1,525,528,806</b>
Construction.....	594,144,825	386,709,398	456,995,000	297,046,750
Custom and Repair <sup>2</sup> .....	143,877,000	99,618,000	123,000,000	85,200,000
Manufactures <sup>3</sup> .....	4,063,987,279	1,997,350,365	3,428,970,628	1,761,986,726
<b>Totals, Secondary Production<sup>3</sup></b>	<b>4,802,009,104</b>	<b>2,483,677,763</b>	<b>4,008,965,628</b>	<b>2,144,233,476</b>
<b>Grand Totals<sup>3</sup>.....</b>	<b>6,846,171,400</b>	<b>3,946,609,211</b>	<b>5,601,880,583</b>	<b>3,216,746,735</b>

<sup>1</sup> Gross value minus value of materials consumed in the production process.

<sup>2</sup> Statistics of Custom and Repair were not collected after 1921 and the totals for 1929 and 1930 were estimated according to the percentage change in the data for manufacturing.

<sup>3</sup> The item "Manufactures" includes dairy factories, sawmills, pulp mills, fish canning and curing, shipbuilding and certain mineral industries, which are also included in other headings above. This duplication, amounting in 1929 to a gross of \$777,954,427 and a net of \$412,456,114, and in 1930 to a gross of \$757,438,326 and a net of \$453,015,547, is eliminated from the grand totals.

<sup>4</sup> This figure includes the amount paid to patrons of dairy factories for milk and cream, and to that extent does not agree with the total gross agricultural production for this year shown on p. 68.

### Summary, by Provinces, of the Value of Production in Canada, 1929 and 1930

Province	1929		1930	
	Gross	Net <sup>1</sup>	Gross	Net <sup>1</sup>
	\$	\$	\$	\$
Prince Edward Island.....	32,807,542	23,452,390	25,436,519	16,635,118
Nova Scotia.....	199,016,575	129,380,104	174,266,197	114,402,720
New Brunswick.....	141,493,983	87,382,143	127,022,481	78,772,589
Quebec.....	1,770,707,067	1,049,515,828	1,500,303,451	892,076,349
Ontario.....	2,099,318,714	1,658,395,781	2,459,173,078	1,380,458,865
Manitoba.....	342,731,190	185,231,376	273,174,256	142,170,105
Saskatchewan.....	432,316,508	238,781,959	296,156,731	134,134,319
Alberta.....	409,642,138	237,493,962	329,898,695	184,659,449
British Columbia.....	512,628,119	331,466,014	420,984,045	268,972,091
Yukon.....	5,509,564	5,509,564	4,465,130	4,465,130
<b>Canada.....</b>	<b>6,846,171,400</b>	<b>3,946,609,211</b>	<b>5,601,880,583</b>	<b>3,216,746,735</b>

<sup>1</sup> Gross value minus value of materials consumed in the production process.

It will be seen that manufactures now definitely takes precedence over agriculture in net value of production for the whole of Canada. This has in fact been the case since 1925, but owing to the more rapid decline in agricultural revenue in 1930, the lead of manufactures over agriculture increased substantially. Agricultural production in 1930 represented 23.6 p.c. of the net output of all branches while the corresponding figure for

manufactures was 54.8 p.c. Construction operations was in second place in 1929, but in 1930 as in 1928 and 1927 the net value of production of the forestry division exceeded that of construction. Mining was in fourth place.



Logs in Boom on the Ottawa River.

*Courtesy Canadian Government Motion Picture Bureau.*

### National Income

The national income of Canada is necessarily less than its national production, a total for which is suggested in the general survey of production above. However, the industries there included engage only two-thirds of those gainfully employed in Canada. As there is no reason to suppose that those not connected with production as there defined are less "productive" in the broad sense of the term than others, the total value of the net production of 1930 must have been not less than \$1,500,000,000.

In order to arrive at the figure of national income, however, certain heavy deductions from the above amount must be made—deductions especially connected with the maintenance of the industrial equipment of the country—providing not only for depreciation but for obsolescence and replacement by new and improved apparatus of production. Altogether, the charges under this head may have been not less than \$400,000,000. This would leave the 1930 income of the Canadian people at somewhere in the neighbourhood of \$1,400,000,000.

*Incomes Assessed for Income War Tax in Canada.*—In those countries of the world where an income tax has been established for a considerable time the figures of the assessed income have been generally accepted as furnishing a guide both to the amount and to the distribution of the total

national income by classes. Estimates of the national income, based upon income tax statistics, have been published, for example, in the United Kingdom and in the United States.

In Canada the income tax is a newer thing than in either of the above-mentioned countries; also, in a newer country than either, incomes are to a greater extent received in kind. Both of these considerations render it improbable that so large a percentage of the total national income of Canada is brought under the notice of the income tax authorities as in the United Kingdom or the United States. Nevertheless, the data collected by the Income Tax Branch of the Department of National Revenue, in the course of its administration of the income war tax, are significant both with regard to the total income assessed and with regard to the distribution of that income among various classes of the population, as well as to size of income groups.

In the fiscal year ended 1930, 142,154 individuals and 7,957 corporations paid income tax on incomes aggregating \$1,325,193,444, so that for that year 30 p.c. of the national income would appear to have been subject to income tax.

### Outside Capital Invested in Canada

A young nation like Canada is usually dependent to a considerable degree on outside capital for the development of its resources. In the opening decades of the century the marked expansion through which Canada passed was largely based on capital imported from the United Kingdom (see table), at least \$1½ billions being imported during 1900-12. During the War the latent capital resources of Canada itself were for the first time exploited on a large scale, nearly \$2 billions being raised by the Dominion Government. Since the War the outstanding feature in the situation has been the considerable importation of capital from the United States; in 1913 U.S. capital investments were probably around \$650 millions; in 1930 they exceeded \$3½ billions. British investments in Canada have in the meantime slightly declined (see accompanying table).

In spite of the large importation of capital from abroad, Canadian capital probably controls at least 60 p.c. of the securities of all enterprises located on Canadian soil. Outside capital investments in 1929 were less than 20 p.c. of the estimated national wealth in the same year (p. 46).

#### Capital Investments by Other Countries in Canada, 1913 and 1928-30

Country	1913 <sup>1</sup>	1928 <sup>2</sup>	1929 <sup>2</sup>	1930 <sup>2</sup>
	\$	\$	\$	\$
United States.....	650,000,000	3,410,889,000	3,571,827,000	3,726,745,000
The United Kingdom.....	2,500,000,000	2,187,045,000	2,157,938,000	2,228,024,000
Other countries.....	175,000,000	160,730,000	162,613,000	171,188,000
Totals.....	3,325,000,000	5,758,664,000	5,892,379,000	6,125,959,000

<sup>1</sup> Estimated by various authorities.    <sup>2</sup> Estimated by Dominion Bureau of Statistics.

It must also be borne in mind that Canadians have invested large amounts of capital abroad. The Bureau estimates that Canadian investments in other countries amounted to \$1,781,345,000 at the beginning of 1930, or 29 p.c. of the amount of outside investments in Canada. Of this, \$1,021,855,000 was placed in the United States, \$80,874,000 in the United Kingdom and \$678,616,000 in other countries.

## CHAPTER III

# POPULATION—BIRTHS, DEATHS AND MARRIAGES— IMMIGRATION—ABORIGINAL RACES

## Population

The population of the earth is estimated at approximately 2,000,000,000<sup>1</sup>. The British Empire which covers one-quarter of the land area of the earth, has slightly less than one-quarter of the world's population, but Canada, which occupies over one-quarter of the area of the British Empire, or one-sixteenth of the land area of the earth has only about one-forty-ninth of the population of the former or about one-two-hundredth that of the latter. While there is no absolute standard for population density, so much depending on extent of resources, the rate of increase in productivity of land as a result of invention, etc., a certain minimum density is desirable and even necessary to effective social and political life. As far as Canada is concerned such a minimum effective density is far from having been attained in the country as a whole.

### Areas and Populations of Great Britain, Ireland, the Dominions and India for 1931, or latest year available, Compared with 1921

Country	Area in Square Miles	Population, Census of 1921	Population, Census of 1931
Great Britain.....	88,136	42,760,196	44,790,485
England.....	50,874	35,230,225	37,354,917
Wales.....	7,466	2,656,474	2,563,014
Scotland.....	30,405	4,882,497	4,842,554
Ireland.....	32,059	4,354,000 <sup>2</sup>	4,228,553 <sup>3</sup>
Canada.....	3,690,043	8,787,949	10,378,786
Union of South Africa.....	471,917	6,828,580	8,013,697 <sup>4</sup>
Australia.....	2,974,581	5,435,734	6,488,707 <sup>5</sup>
New Zealand.....	104,751	1,218,913	1,510,940 <sup>6</sup>
Newfoundland and Labrador.....	162,734	262,938	281,549 <sup>7</sup>
India.....	1,805,332	318,942,480	352,837,778

<sup>1</sup> Official estimate, 1921. A census was not taken in this year. <sup>2</sup> 1926 census. <sup>3</sup> Official estimate, 1930. The census of May, 1931, gave the European population as 1,827,166, compared with 1,519,488 in 1921. <sup>4</sup> Official estimate of Mar. 31, 1931. <sup>5</sup> Official estimate of Dec. 31, 1931, including 4,204 as the population of Labrador.

In addition to growth and racial composition an important consideration which should receive attention in any detailed study of population is the distribution of population as between the various age-classes, and the effects of immigration and emigration, birth rate and mortality on the age-groups. Space, however, permits only of the broadest treatment of Canada's population as affording a measure of the general economic progress of the country.

*Historical.*—The credit of taking what was perhaps the first census of modern times belongs to Canada, the year being 1666 and the census

<sup>1</sup> The Statistical Year Book of the League of Nations, 1931-32, gives the population of the world as 2,012,800,000 not including certain native populations, chiefly in the interiors of Asia and Africa, where censuses are incomplete or do not exist.



that of the little colony of New France. A population of 3,215 souls was shown. By the date of the Conquest, nearly a hundred years later, this had increased to 70,000, what is now the Maritime Provinces having another 20,000. After the Conquest came the influx of the Loyalists and the gradual settlement of the country, so that Canada began the nineteenth century with a population of probably 250,000 or 260,000. Fifty years later the total was 2,384,919 for the territory now included in the Dominion of Canada. There was a very rapid development in the 'fifties, and further substantial increase in the 'sixties, with the result that the first census after Confederation (1871) saw the Dominion launched with a population of 3,689,257.

### Statistics of Population in Canada, 1867 and Census Years 1871 to 1931

Province	1867 <sup>1</sup>	1871	1881	1891
Ontario.....	1,530,000	1,620,851	1,926,922	2,114,321
Quebec.....	1,160,000	1,191,516	1,359,027	1,488,535
New Brunswick.....	272,000	285,594	321,233	321,263
Nova Scotia.....	365,000	387,800	440,572	450,396
British Columbia.....	-	36,247	49,459	98,173
Prince Edward Island.....	81,000	94,021	108,891	109,078
Manitoba.....	17,000 <sup>2</sup>	25,228	62,260	152,506
Saskatchewan.....	-	-	-	-
Alberta.....	-	-	-	-
Yukon.....	-	-	-	-
Northwest Territories.....	-	48,000	56,446	98,967
Totals.....	-	3,689,257	4,324,810	4,833,239

Province	1901	1911	1921	1931
Ontario.....	2,182,947	2,527,292	2,933,662	3,431,683
Quebec.....	1,648,898	2,005,776	2,360,665 <sup>4</sup>	2,874,255
New Brunswick.....	331,120	351,889	387,870	408,219
Nova Scotia.....	459,574	492,338	523,837	512,846
British Columbia.....	178,657	392,480	524,582	694,263
Prince Edward Island.....	103,259	93,728	88,615	88,038
Manitoba.....	255,211	461,394	610,118	700,139
Saskatchewan.....	91,279	492,432	757,510	921,785
Alberta.....	73,022	374,295	588,454	731,605
Yukon.....	27,219	8,512	4,157	4,220
Northwest Territories <sup>3</sup> .....	20,129	6,507	7,988	9,723
Totals.....	5,371,315	7,206,643	8,787,949 <sup>4</sup>	10,378,786

<sup>1</sup> Estimated on basis of census, 1861. <sup>2</sup> Estimated on basis of census, 1856. <sup>3</sup> The decreases shown in the population of the Northwest Territories since 1891 are due to the separation therefrom of vast areas to form Alberta, Saskatchewan and the Yukon Territory and to extend the boundaries of Quebec, Ontario and Manitoba. <sup>4</sup> Revised in accordance with the Labrador award of the Privy Council, Mar. 1, 1927; total includes 485 members of the Royal Canadian Navy.

After 1873 and until the end of the century economic conditions within the Dominion were anything but buoyant. The censuses of 1881, 1891 and 1901 reflected this state of affairs. That of 1881 showed a gain

of 635,553 or 17·23 p.c., but in neither of the next two decades was this record equalled, the gains in each being under 550,000 or 12 p.c. With the end of the century the population of Canada had reached but 5½ millions, though expectation had set a figure very much higher as the goal for 1900.

It is within the present century that the spectacular expansion of the Canadian population and general economic organization has taken place. The outstanding initial feature was, of course, the opening of the "last best West". It is true that western population had doubled in each of the decades following the completion of the Canadian Pacific Railway. With 1900, however, this movement became greatly accelerated. There occurred at this juncture a great broadening in world credit. Capital in huge amounts began to flow from Great Britain to undeveloped countries throughout the world, and especially Canada which received a total of \$2,500,000,000 within a dozen years. The immigration movement, which had seldom previously exceeded 50,000 per annum, rose to over five times that volume, totalling in the ten years 1903-13 over 2,500,000, which was perhaps as many as had previously entered the country in all the years back to Confederation. Two new transcontinental railways were begun. Simultaneously with this western development came an almost equally rapid expansion in the industrial centres of eastern Canada. Not all of the "boom" was wisely directed, and some reaction was felt in 1913. Then came the War. Its results were by no means purely destructive economically. The liquidation of excess development continued and the industrial and production structure of Canada was greatly strengthened by the new demands for food and war materials. Immigration, however, fell off to a point not much above a third of the immediately pre-war period. After a post-war boom in 1920, conditions slumped economically for three years, but recovery was rapid during the following six years.

*Analyses of Growth.*—The general rate of population increase in Canada in the opening decade of the present century was 34 p.c., the greatest for that year of any country in the world. In the second decade the rate was 22 p.c., again the greatest with the one exception of Australia, whose growth was greater by a fraction of 1 p.c. A century earlier the United States grew 35 p.c. decade by decade until 1860, but with this exception there has been no recorded example of more rapid national progress than that of Canada in the twentieth century. In 1871, only 2·96 p.c. of the population dwelt west of the lake of the Woods. In 1921 the proportion was 28·37 p.c. and in 1931, 29·5 p.c.—3,061,745 people compared with 110,000 at Confederation.

As between rural and urban distribution the change is perhaps more striking than in any other field. Though we are still largely agricultural, our town dwellers now, for the first time, exceed the numbers living upon the land (5,572,058 urban and 4,804,728 rural in 1931). Fifty years ago the towns and cities of Canada accounted for only 18 p.c. of the people (686,019 urban and 3,003,238 rural), and at the beginning of the present century the percentage was but 37. In 1871 the Dominion had 13 cities, 49 towns, and 106 villages; in 1921 there were 101 cities, 459 towns, and 881 incorporated villages; and in 1931, 111 cities, 477 towns and 1,016 incorporated villages. It is the larger cities that have grown the fastest.

### Populations of Cities and Towns having over 15,000 Inhabitants in 1931, Compared with 1891, 1901, 1911 and 1921

NOTE.—The cities and towns in which a Board of Trade exists are indicated by an asterisk (\*) and those in which there is a Chamber of Commerce by a dagger (†). In all cases the population is for the city or town municipality as it existed in 1931. For footnotes see end of table.

City or Town	Province	Population				
		1891	1901	1911	1921	1931
*†Montreal	Quebec	219,616	328,172	490,504 <sup>1</sup>	618,506	818,577
*Toronto	Ontario	181,215	209,892	381,833 <sup>2</sup>	521,893	631,207
*Vancouver	British Columbia	13,709	29,432	120,847	163,220	246,593 <sup>3</sup>
*Winnipeg	Manitoba	25,639	42,340	136,035	179,087	218,785
†Hamilton	Ontario	48,959	52,634	81,969	114,151	155,547
*Quebec	Quebec	63,090	68,840	78,710	95,193	130,504
*Ottawa	Ontario	44,154	59,928	87,062	107,843	126,872
*Calgary	Alberta	3,876	4,392	43,704	63,305	83,761
*†Edmonton	Alberta	—	4,176	31,064 <sup>4</sup>	58,821	79,197
†London	Ontario	31,977	37,976	46,500	60,959	71,148
†Windsor	Ontario	10,322	12,153	17,829	38,591	63,108
†Verdun	Quebec	296	1,898	11,629	25,001	60,745
*Halifax	Nova Scotia	38,437	40,832	46,610	58,372	59,275
*Regina	Saskatchewan	—	2,249	30,213	34,432	53,209
*Saint John	New Brunswick	39,179	40,711	42,511	47,166	47,514
*Saskatoon	Saskatchewan	—	113	12,004	25,739	43,291
†Victoria	British Columbia	16,841	20,919	31,660	38,727	39,082
†Three Rivers	Quebec	8,334	9,981	13,691	22,367	35,450
*Kitchener	Ontario	7,425	9,747	15,196	21,763	30,793
*Brantford	Ontario	12,753	16,619	23,132	29,440	30,107
†Hull	Quebec	11,264	13,993	18,222	24,117	29,493
*Sherbrooke	Quebec	10,110	11,765	16,405	23,515	28,933
Outremont	Quebec	795	1,148	4,820	13,249	28,641
*Fort William	Ontario	—	3,633	10,499	20,541	26,277
†St. Catharines	Ontario	9,170	9,946	12,484	19,881	24,753
Westmount	Quebec	3,076	8,856	14,579	17,593	24,235
†Kingston	Ontario	19,283	17,061	18,874	21,753	23,439
†Oshawa	Ontario	4,066	4,394	7,436	11,940	23,439
*Sydney	Nova Scotia	2,427	9,909	17,723	22,545	23,089
†Sault Ste. Marie	Ontario	2,414	7,169	14,920 <sup>4</sup>	21,092	23,082
†Peterborough	Ontario	9,717	12,886	18,360	20,994	22,327
*Moose Jaw	Saskatchewan	—	1,558	13,823	19,285	21,299
†Guelph	Ontario	10,537	11,496	15,175	18,128	21,075
*Gloucester	Nova Scotia	2,459	6,945	16,562	17,007	20,706
*Moncton	New Brunswick	8,762	9,036	11,345	17,488	20,689
†Port Arthur	Ontario	—	3,214	11,220	14,886	19,818
†Niagara Falls	Ontario	3,349	5,702	9,248	14,764	19,046
†Lachine	Quebec	3,761	6,365	11,688 <sup>5</sup>	15,404	18,630
*Sudbury	Ontario	—	2,027	4,150	8,621	18,518
†Sarnia	Ontario	6,692	8,176	9,947	14,877	18,191
*Stratford	Ontario	9,500	9,959	12,946	16,094	17,742
*New Westminster	British Columbia	6,678	6,499	13,199	14,405	17,524
*Brandon	Manitoba	3,778	5,620	13,839	15,397	17,082
*St. Boniface	Manitoba	1,553	2,019	7,483	12,821	16,305
*North Bay	Ontario	—	2,530	7,737	10,692	15,528
†St. Thomas	Ontario	10,366	11,485	14,054	16,026	15,430
†Shawinigan Falls	Quebec	—	—	4,265	10,625	15,345

<sup>1</sup> Includes Maisonneuve, Cartierville, Bordeaux and Sault-au-Récollet. <sup>2</sup> Includes North Toronto, less 67 transferred in 1911 to Township of York. <sup>3</sup> Includes town of Strathcona and villages of North and West Edmonton. <sup>4</sup> Includes town of Stratford. <sup>5</sup> Includes parish of Lachine and Summerlea town. <sup>6</sup> Includes South Vancouver and Point Grey.

**Religions.**—Of the total population in 1931 (10,376,786), 4,285,388 or 41.29 p.c. were members of the Roman Catholic faith (including 186,654 Greek Catholics).<sup>1</sup> The United Church of Canada, with 2,017,691 members, or 19.45 p.c. of the population, was second and the Anglicans, with

<sup>1</sup> See footnote 1 of the table.

1,635,615 or 15.77 p.c., third. The Presbyterians were the next largest group with 870,728 members or 8.39 p.c. in 1931. According to the census returns, 0.15 p.c. did not state their religion and 0.20 p.c. were classed as of "no religion".

Statistics of religions for the past five census years follow:—

**Membership of the Ten Leading Religious Denominations in Canada, 1901, 1911, 1921 and 1931**

Religion	1901	1911	1921	1931
Roman Catholic.....	2,229,600	2,833,041	3,389,636	4,285,388 <sup>1</sup>
United Church.....	—	—	—	2,017,691 <sup>2</sup>
Anglican.....	681,494	1,043,017	1,407,094	1,635,615
Presbyterian.....	842,531	1,116,071	1,409,407	870,728 <sup>3</sup>
Baptist <sup>4</sup> .....	318,005	382,720	421,731	443,341
Lutheran.....	92,524	229,864	286,458	394,194
Jewish.....	16,401	74,564	125,197	155,614
Greek Orthodox.....	—	—	—	102,389
Mennonite <sup>4</sup> .....	31,797	44,625	58,797	88,736
Salvation Army.....	10,308	18,834	24,733	30,716

<sup>1</sup> Including 186,654 Greek Catholics. In earlier censuses only small numbers were involved and Greek Catholics and Greek Orthodox were included under the general term "Greek Church". A rapid increase in membership of both Greek Catholics and Greek Orthodox has been shown for recent censuses and, since the former owe obedience to the Pope in matters of faith, they have been included with the Roman Catholics for 1931.

<sup>2</sup> Practically all Methodists and Congregationalists, and a large number of Presbyterians united to form the United Church of Canada in 1925.

<sup>3</sup> Including Tunkers. <sup>4</sup> Including Hutterites.

**Membership of the Ten Leading Denominations, by Provinces and Territories, 1931**

Provinces	Roman Catholic	United Church	Anglican	Presbyterian	Baptist
Prince Edward Island.....	39,105	21,979	5,074	14,813	5,086
Nova Scotia.....	162,754	110,548	88,738	48,960	82,098
New Brunswick.....	188,098	61,176	48,931	16,260	83,853
Quebec.....	2,463,160	88,253	149,843	59,532	10,970
Ontario.....	744,740	974,084	764,130	450,664	171,305
Manitoba.....	189,603	176,240	128,385	55,720	13,483
Saskatchewan.....	233,979	243,399	126,837	67,954	22,613
Alberta.....	168,408	176,816	112,979	72,069	30,496
British Columbia.....	90,852	164,750	205,047	84,183	23,395
Yukon.....	667	352	2,299	432	44
N. W. Territories.....	3,932	94	3,352	141	18
Canada.....	4,285,388	2,017,691	1,635,615	870,728	443,341

Province	Lutheran	Jewish	Greek Orthodox	Mennonite	Salvation Army
Prince Edward Island.....	76	19	6	2	162
Nova Scotia.....	7,949	1,935	315	1	2,065
New Brunswick.....	909	1,257	75	—	946
Quebec.....	8,261	59,736	8,992	8	1,135
Ontario.....	97,022	62,094	16,387	17,661	16,701
Manitoba.....	46,892	19,193	15,774	30,352	2,266
Saskatchewan.....	113,676	5,047	31,126	31,338	2,015
Alberta.....	82,411	3,663	26,427	6,289	2,024
British Columbia.....	36,635	2,666	3,274	1,085	2,801
Yukon.....	239	2	8	—	—
N. W. Territories.....	64	2	5	—	1
Canada.....	394,194	155,614	102,389	88,736	30,716



## CANADA'S FIVEADING CITIES



1. View of Montreal from Mount Royal. 2. Winnipeg, showing Royal Alexandra Hotel and city layout. 3. General view of Toronto, from Royal York Hotel. 4. Skyline of Toronto from Waterfront. 5. Hamilton, James Street looking North. 6. Winnipeg, Postage Avenue. 7. Montreal, Intersection of St. James and McGill Streets. 8. Panorama of Vancouver—Canada has reason to be proud of her cities—their spaciousness, their young and vigorous atmosphere typifying so well the character of their inhabitants. Their rapid growth is accounted for by the great increase in manufacturing and trade in the present century. The results of the 1931 census show, for the first time, that Dominion's urban population exceeds the rural.

*Sex and Age Distribution.*—The population of Canada in 1931 was made up of 5,374,541 males and 5,002,245 females. Thus there were 518 males and 482 females per thousand. This masculinity of the population has increased in the eastern provinces and decreased in the western ones, where it was formerly greatest. A preponderance of males is common in all new countries where immigration has played an important part in building up the population. Tables giving the sex distribution and the masculinity by provinces for the census years 1901, 1911, 1921 and 1931 follow.

### Sex Distribution, by Provinces, Census Years 1901-31

Province	1901		1911		1921		1931 <sup>1</sup>	
	Males	Females	Males	Females	Males	Females	Males	Females
P.E.I.....	51,959	51,300	47,069	46,659	44,887	43,728	45,392	42,646
N.S.....	233,642	225,932	251,019	241,319	266,472	257,365	263,104	249,742
N.B.....	168,639	162,481	179,867	172,022	197,351	190,525	208,620	199,599
Que.....	824,454	824,444	1,012,815	992,961	1,179,726	1,180,939	1,447,124	1,427,131
Ont.....	1,096,640	1,086,307	1,301,272	1,226,020	1,481,890	1,451,772	1,748,844	1,682,839
Man.....	138,504	116,707	252,954	208,440	320,567	289,551	368,065	332,074
Sask.....	49,431	41,848	291,730	200,702	413,700	343,810	499,935	421,880
Alta.....	41,019	32,003	233,792	150,503	324,208	264,246	400,199	331,406
B.C.....	114,160	64,497	251,610	140,861	293,409	231,173	385,219	300,044
Yukon.....	23,084	4,135	6,508	2,004	2,819	1,338	2,825	1,405
N.W.T.....	10,176	9,953	3,350	3,157	4,129	3,859	5,214	4,500
Canada..	2,751,708	2,619,607	3,821,995	3,384,648	4,529,643 <sup>2</sup>	4,258,306	5,374,541	5,002,245

<sup>1</sup> Preliminary figures. <sup>2</sup> Includes 485, Royal Canadian Navy. The 1921 totals are revised in accordance with the Labrador award of March 1, 1927.

### Masculinity of the Population, by Provinces, 1901-31

Province	1901			1911			1921			1931		
	Males	Female	Excess of males over females	Males	Female	Excess of males over females	Males	Female	Excess of males over females	Males	Female	Excess of males over females
P.E.I.....	503	497	6	502	498	4	507	493	14	516	484	32
N.S.....	508	492	16	510	490	20	509	491	18	513	487	26
N.B.....	509	491	18	511	489	22	509	491	18	511	489	22
Que.....	500	500	—	505	495	10	500	500	—	503	497	6
Ont.....	502	498	4	515	485	30	505	495	10	510	490	20
Man.....	543	457	86	548	452	96	525	475	50	526	474	52
Sask.....	541	459	82	592	408	184	546	454	92	542	458	84
Alta.....	562	438	124	598	402	196	551	449	102	547	463	84
Yukon.....	639	361	278	941	359	582	559	441	118	555	445	110
N.W.T.....	848	152	696	765	235	530	678	322	356	668	332	336
N.W.T.....	506	494	12	516	485	30	517	483	34	536	464	72
Canada...	512	488	24	530	470	60	515	485	30	518	482	36

<sup>1</sup> Preliminary figures.

As a result of the growing urbanization of the population, the increase of the marriage age and the general decrease in the birth rate, the age distribution has changed materially since 1921. In 1911, out of every thousand of the population, 231·83 were under 10 years of age and 423·42

under 20 years of age; in 1921, 239.67 per thousand were under 10 years and 434.81 under 20 years; while in 1931 the number of children under 10 years of age had dropped to 212.69 per thousand, and of persons under 20 to 416.36 per thousand. The increased proportions in the upper age-periods is most noticeable in the groups over 40 years.

**Proportion per 1,000 of the Population by Age-Periods, 1901, 1911, 1921 and 1931**

Age Period	1901	1911	1921	1931 <sup>1</sup>
Under 1 year.....	24.497	25.734	23.858	103.540
1-4 years.....	95.211	97.413	96.483	
5-9 ".....	114.663	108.085	119.333	109.145
10-19 ".....	210.906	191.585	195.139	203.677
20-29 ".....	173.550	189.335	159.041	163.592
30-39 ".....	129.259	141.938	146.247	134.655
40-49 ".....	98.494	100.071	109.481	118.666
50-59 ".....	67.886	69.121	73.082	82.470
60 and over.....	76.390	71.027	74.917	83.894
Not given.....	9.137	5.090	2.419	0.610

<sup>1</sup> Preliminary figures.

**Births, Deaths and Marriages**

Canada has a national system of vital statistics, under the Bureau of Statistics and the Registrars-General of the several provinces, dating from 1920. The figures for 1930 and 1931 are compared, by provinces, with those of 1921 in the accompanying table.

**Births, Deaths and Marriages in Canada, 1921, 1930 and 1931**

Province	Births			Deaths			Marriages		
	1921	1930	1931 <sup>1</sup>	1921	1930	1931 <sup>1</sup>	1921	1930	1931 <sup>1</sup>
	No.	No.	No.	No.	No.	No.	No.	No.	No.
CANADA <sup>2</sup> .....	257,728	243,495	240,108	101,155	109,306	104,449	69,732	71,657	66,578
P.E. Island.....	2,156	1,749	1,879	1,209	961	912	518	488	490
Nova Scotia.....	13,021	11,348	11,530	6,420	6,206	5,925	3,550	3,451	3,394
New Brunswick.....	11,465	10,634	10,800	5,410	4,991	4,644	3,173	2,761	2,544
Quebec.....	88,749	83,625	83,606	33,433	35,945	34,487	18,659	18,543	16,783
Ontario.....	74,152	71,263	69,162	34,551	37,313	35,688	24,871	25,606	23,771
Manitoba.....	18,478	14,411	14,376	5,388	5,885	5,319	5,310	5,061	4,888
Saskatchewan.....	22,493	22,051	21,267	5,596	6,309	6,070	5,101	5,717	5,692
Alberta.....	10,561	17,649	17,145	4,940	5,496	5,296	4,061	5,334	5,139
Br. Columbia..	10,653	10,867	10,343	4,208	6,400	6,108	3,889	4,697	3,877
Rates per 1,000 population									
	p.c.	p.c.	p.c.	p.c.	p.c.	p.c.	p.c.	p.c.	p.c.
CANADA <sup>2</sup> .....	29.4	23.9	23.2	11.5	10.7	10.1	8.0	7.0	6.4
P.E. Island.....	24.3	19.9	21.4	13.6	10.9	10.4	5.8	5.5	5.6
Nova Scotia.....	24.9	22.1	22.5	12.3	12.1	11.5	6.8	6.7	6.6
New Brunswick.....	30.2	25.0	26.5	14.2	12.3	11.4	8.4	6.8	8.2
Quebec.....	37.6	29.6	29.1	14.2	12.7	12.0	7.0	6.6	5.8
Ontario.....	25.3	21.0	20.2	11.8	11.0	10.4	8.5	7.6	6.9
Manitoba.....	30.3	20.9	20.5	8.8	8.3	7.8	8.7	7.3	7.0
Saskatchewan.....	29.7	24.4	23.1	7.4	7.0	6.6	6.7	6.3	6.2
Alberta.....	28.1	24.9	23.4	8.4	7.8	7.2	7.9	7.5	7.0
Br. Columbia..	20.3	16.1	14.9	8.0	9.5	8.8	7.4	6.9	5.6

<sup>1</sup> Preliminary figures. <sup>2</sup> Exclusive of Yukon and the Northwest Territories.



Divorces granted in Canada have increased from 19 in 1901 to 51 in 1910, to 429 in 1920, to 785 in 1928, to 816 in 1929, to 875 in 1930, but decreased to 684 in 1931, owing to fewer divorces granted in Ontario as a result of the change in system and delay in dealing with applications during the transfer from Dominion to provincial jurisdiction.

## Immigration

Total immigrants into Canada during the fiscal year 1932 numbered 25,752 as compared with 88,223 in the fiscal year 1931 and 163,288 in 1930.

The number arriving from the United Kingdom was 7,088 as compared with 27,584 and 61,082 in 1931 and 1930 respectively; immigrants from the United States totalled 14,297 in 1932 as compared with 24,280 and 30,727 respectively for the two previous years; from other countries the number was 4,367 as compared with 36,359 and 68,479 respectively.

## The Aboriginal Races

*Indians.*—The Indians of Canada are wards of the Department of Indian Affairs and number, according to the 1931 census, 122,911 made up by provinces as follows: P.E.I., 233; N.S., 2,191; N.B., 1,685; Que., 12,312; Ont., 30,368; Man., 15,417; Sask., 15,268; Alta., 15,249; B.C., 24,599; Yukon, 1,543; N.W.T., 4,046. The total is made up of 62,943 males and 59,968 females. A small yearly increase is evident.

Indians are minors under the law and their affairs are administered by the Department under the authority of the Indian Act. The system of reserves, whereby particular areas of land have been set apart solely for the use of Indians, has been established in Canada from the earliest times. It was designed to protect the Indians from encroachment, and to provide a sort of sanctuary where they could develop unmolested until advancing civilization had made possible their absorption into the general body of the citizens. Reserves have been set aside for the various bands of Indians throughout the Dominion, and the Indians located thereon are under the supervision of the local agents of the Department. The activities of the Department, as guardian of the Indians, include the control of Indian education (See p. 177), health, etc., the development of agriculture and other pursuits among them, the administration of their funds and legal transactions and the general supervision of their welfare. The local administration of the Indian bands on the reserves scattered throughout the Dominion is conducted through the Department's agencies, of which there are, in all, 116.

The Indian Act provides for the enfranchisement of Indians. When an Indian is enfranchised he ceases to be an Indian under the law, and acquires the full status of citizenship. In the older provinces, where the Indians have been longer in contact with civilization, many are becoming enfranchised. Great discretion, however, is exercised by the Government in dealing with this problem. Indians who become enfranchised lose the special protection attached to their wardship, so that it is necessary to guard against premature enfranchisement.



*Eskimos.*—Unlike the Indian tribes which are scattered throughout Canada, the Eskimos are limited to the Northwest Territories, chiefly the northern fringe of the mainland and the Arctic Archipelago. The Eskimo is a nomad but lives for the most part along the Arctic littoral, not wandering far inland, since he depends for his subsistence largely on marine mammals and fish. The administration of this race was carried on along with that of the Indians prior to 1927, when the Government transferred the care of the Eskimos to the Department of the Interior. According to the 1931 census the Eskimos in Canada number 5,979 made up by provinces as follows: Que., 1,159; Man., 62; Alta., 3; Yukon, 85; N.W.T., 4,670. The total is made up of 3,116 males and 2,863 females. Each year the Government sends an expedition to the archipelago for the inspection of the various posts, the relief of personnel, and to promote the general welfare of the natives.



An Indian Family Group dressed for the Annual Indian Celebrations at Banff. Inset: A group of Baffin Island Eskimos.

*Courtesy Department of the Interior*

## CHAPTER IV

### AGRICULTURE

The climate, soil and acquired capital facilities of Canada are such as to produce a wide variety of farm and forest products common to the temperate zone. This outstanding feature will be evident from a brief consideration of the prevailing regional types of farming in the Dominion.

The Maritime Provinces show a considerable regional difference in crop production, although fruit and potatoes are the most important cash crops, with especially favoured conditions for their production. Hay and clover command the largest proportion of the field-crop area, while oats have the largest acreage among the grain crops, followed by mixed grains and buckwheat, with the areas sown to wheat small and declining.

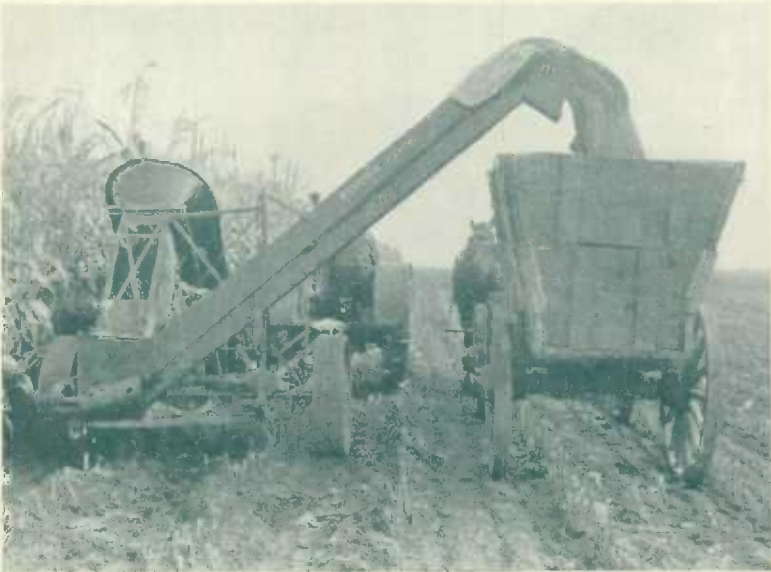


*Traction Ditcher at Work.*—The under-drainage of farm land is a type of investment which repays the initial cost many times over in increased fertility.

*Courtesy Canadian Government Motion Picture Bureau*

The province of Quebec is adapted essentially for mixed farming, with large regions specializing in dairying. The forage and coarse grain crops comprise over 90 p.c. of the total field-crop area, potatoes and buckwheat having the largest acreages among the strictly cash crops. The farming population lives 'off the farm' to the greatest possible extent, and revenues from such items as maple sugar, cordwood, and domestic work are very important.

The province of Ontario shows probably the greatest regional variation in types of farming, ranging from the highly specialized fruit farms of the Niagara peninsula to the pioneer farms on the wooded lands of northern Ontario. As in Quebec, the agriculture of the whole province shows a marked predominance of forage crops and coarse grains, but the acreages of cereals are much higher in Ontario. In some counties, such as Kent, Simcoe, Essex and Middlesex, the wheat crop is relied upon to return a fair share of the cash income. Sugar beets cover considerable acreages in Kent, Essex and Lambton, while tobacco is important in Essex, Elgin and Norfolk. Dairy farming prevails in scattered districts over the province, providing large proportions of the incomes on farms along the Ottawa and St. Lawrence valleys and in the vicinity of Toronto.



A Combined Corn Harvester and Silage Cutter in Operation, Ontario.

*Courtesy Canadian Government Motion Picture Bureau*

Over two-thirds of the field-crop acreage of Canada is concentrated in the three prairie provinces, and most of this area is seeded to the grain crops, with wheat predominant. Roughly speaking, the specialized wheat areas cover the southern short-grass plains from the Red River valley of Manitoba to the foothills of Alberta and attain their greatest width in central Saskatchewan. In the park belt, lying mostly north of this region, mixed farming is practised, with large acreages of coarse grains and natural hay utilized for swine and cattle.

British Columbian agriculture is relatively intensive, dependent mainly on tree and bush fruits, berries and vegetables. Poultry and dairy farms are numerous along the southwestern coast, while ranching is confined to the interior valleys.

Canada has about 350 million acres of land suitable for farming purposes and, of this total, 163½ million acres are in occupied farms, of which nearly 86 million acres are improved land. Even at the low valuations existing in 1931, farm land was valued at \$2,704,760,300. Buildings on farms represented a further investment of \$1,341,463,000 at 1931 valuations.

Although Canada has a relatively small non-agricultural population for the absorption of surplus production, approximately 85 p.c. of our total agricultural production is consumed in Canada, with the remaining 15 p.c. finding markets abroad. Agriculture, however, provides roughly 40 p.c. of our total national export trade, the most important items being grain and grain products, cheese, live stock and live-stock products (principally meats and hides), potatoes and apples.

Again, our agriculture is so diversified that imports of agricultural products form a small proportion of our total imports. Imported agricultural commodities consist chiefly of tropical fruits and spices and processed products from other countries with temperate climates, particularly the United Kingdom. Over one-half of our agricultural imports are practically incapable of production in Canada, consisting of such items as tropical fruits, rubber, tea, vegetable oils, coffee, chicory and nuts. Among the processed products of agricultural origin, cotton and silk manufactures form the largest proportion.

### Governmental Assistance to Agriculture

Agricultural progress in Canada is typified and measured not only by the expansion of crop acreages and production and by the increase in live stock, but by the improvement in methods of production, by the production of higher quality commodities, and by the careful supervision of grading to meet the standards and requirements of both domestic and export markets. In these important fields the Canadian farmer reaps many advantages from governmental and institutional assistance.

Outstanding among these activities is the work of the Dominion Experimental Farms and Stations, begun in 1896 with 5 farms of 3,472 acres and at the present time including 26 experimental farms and stations with a total area of 12,818 acres.

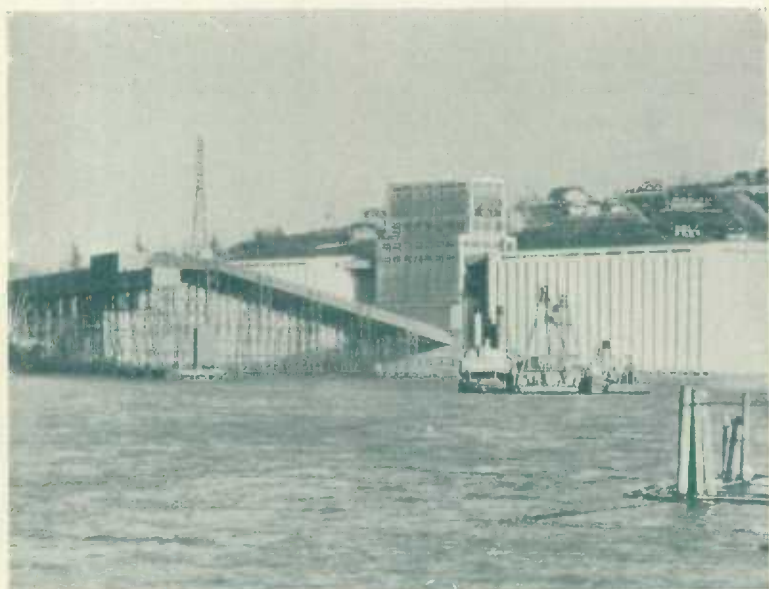
The experimental farms and stations work in unity through central direction from Ottawa, but are engaged in experimental and practical work designed to improve agricultural methods in their respective districts. Their success in this main endeavour becomes more evident annually and their officers are widely recognized as authorities on agricultural matters. In addition, a chain of Dominion Illustration Stations has been organized throughout Canada for the general purpose of demonstrating precisely and practically the effective and economical methods of husbandry which are suited to their districts. Railway and land companies have also been prominent in disseminating agricultural advice.

The work of the Dominion Departments of Trade and Commerce and Agriculture in the standardization and grading of the important agricultural products has also been a significant factor in building up export markets.

Each of the nine provinces, under Section 95 of the B.N.A. Act, has its Department of Agriculture, and everywhere the provinces endeavour to assist their farmers by educational and extension work, and in most



cases by the organization of co-operative marketing. Agricultural colleges maintained by the provinces are the Nova Scotia Agricultural College at Truro, the Ontario Agricultural and the Ontario Veterinary Colleges at Guelph, and the Manitoba Agricultural College at Winnipeg. Three agricultural colleges in Quebec are assisted by the Provincial Government, while faculties of agriculture are found in the provincial universities of Saskatchewan, Alberta and British Columbia.



Alberta Wheat Pool Terminal No. 1, Storage Capacity 5,150,000 Bushels, Vancouver. Wheat exports from Vancouver have increased substantially in recent years.

*Courtesy Canadian Government Motion Picture Bureau*

*The Canadian Grain Trade.*—The natural disadvantages involved in the wide separation of the prairie grain fields from the markets of Europe have been considerably lessened by particular and continued efforts to improve the marketing and transportation facilities. The Great Lakes and the St. Lawrence river have been used to good advantage, since the inception of the movement of grain to the eastern Canadian and United States seaboards. The westward route through Vancouver has been established for a number of years, but not until the crop year 1921-22 did the movements reach any appreciable volume, while grain shipments through the port of Churchill on Hudson bay were initiated in 1931, and have increased in volume during the year 1932. The movement of grain at both interior and terminal points has been regulated by adequate elevator facilities. The volume of grain shipments has expanded greatly since the turn of the century and the necessary handling facilities have kept pace. The operation of the licensed elevators of Canada is covered by the Canada

Grain Act, which was extensively revised in 1930. The number of these elevators has grown from 523 with a capacity of 18,329,352 bushels at the end of the last century to 5,889 with a capacity of 417,111,260 bushels in 1932. They are divided into three principal groups: the Western Country, the Terminal and the Eastern elevators.

The Western Country elevators are those that handle grain direct from the farmer: in 1900-01 they numbered 518 with a total capacity of 12,759,352 bushels; in 1931-32 the number had increased to 5,740 with a capacity of 192,381,050 bushels.

Terminal elevators (those at terminal points as defined by the Canada Grain Act) are located at Fort William, Port Arthur and Vancouver. In 1900-01 there were only five licensed elevators at the head of the lakes with a total capacity of 5,570,000 bushels; the number, by 1932, had increased to thirty-two with a total capacity of 92,847,210 bushels. Vancouver is a comparatively recent elevator centre; there were two licensed elevators there in 1906-07 (the first year reported) with a joint capacity of 200,000 bushels, four in 1915-16 with a capacity of 1,631,000 bushels and eleven in 1931-32 with a total capacity of 19,393,000 bushels.

The Eastern elevators are located along the Lower Lakes, the river St. Lawrence and the Canadian seaboard. They were eighteen in number in 1908-09 and had a total capacity of 14,826,000 bushels; in 1931-32 the number was twenty-eight with a total capacity of 75,587,000 bushels.

The strictest supervision of grading is maintained in order to establish the high quality of Canadian grain abroad. Cleaning and drying facilities are available at both interior and terminal elevators, and grading is superintended by the Board of Grain Commissioners, established in 1912 for the management and control of the grain trade of Canada.

The export trade in Canadian wheat has greatly increased in the past half century, although the actual amounts exported in recent years vary widely with growing conditions in Canada and the state of markets abroad. Record levels of wheat and wheat flour exports were reached following the bumper crop of 1928, and in the crop year 1928-29, 407,564,187 bushels of wheat and wheat flour (expressed as wheat) were exported from Canada. A drastically reduced crop in 1929 and unsatisfactory external markets led to reduced overseas movement in the crop year 1929-30, when only 186,267,209 bushels were exported. In 1930-31, an increase to 258,637,887 bushels was recorded.

Although Canada stands third to the United States and Russia among the wheat-producing countries of the world, she is normally first among the wheat-exporting nations. Even with the relatively short crops of the past three years, this position has been well maintained. During the past crop year 1931-32, the exports amounted to 207,029,555 bushels, although the production of wheat was almost identical with 1929.

### **Agricultural Co-operation in Canada**

Co-operative organization forms an integral part of the economic fabric of Canadian agriculture and is practised extensively in every province in the Dominion. In size, the co-operatives range from local associations with a limited sphere of operation to large organizations of national importance. The smaller co-operatives generally function in connection with community affairs or in the purchasing of supplies, while the larger co-

operatives are generally interested in the distributive trades, processing or purchasing, or combining these functions.

The largest co-operatives are found in Western Canada and function in the distribution of farm products. In each of the three provinces are large co-operative elevator companies with a membership of about 150,000 and handling a large share of the western wheat crop. These organizations, Manitoba Pool Elevators Limited, Saskatchewan Pool Elevators Limited and Alberta Pool Elevators Limited, were formerly part of the wheat pool organization but during the past two years have operated independently as co-operative grain handling concerns. These organizations operate on the patronage dividend basis. In addition, the United Grain Growers' Limited is a joint stock company operating in the Prairie Provinces and largely owned by farmers.

In the live-stock industry the largest farmer-owned organization is the Canadian Live Stock Co-operative Limited with a membership of about 10,000. This company is in affiliation with interests in Eastern Canada and comprises about 324 local associations. The United Farmers' Co-operative Co. Ltd., of Ontario and the Quebec Federated Co-operative are also affiliated for the purpose of marketing live stock.

In the wool trade co-operative effort is represented by the Canadian Co-operative Wool Growers with affiliated organizations in eight provinces. This co-operative engages in the storing, grading and marketing of wool and allied products.

There are 113 co-operatives engaged in processing, manufacturing and marketing dairy products in Canada. The largest of these co-operatives is the Saskatchewan Co-operative Creameries with a membership of 39,000. Manitoba Co-operative Dairies and the Alberta Milk Pool are large organizations in this field each with a membership of over 6,000.

The Canadian Poultry Pool operates largely in Western Canada but has affiliated organizations in Eastern Canada. The Pool has a combined membership of about 26,000.

In addition to the foregoing co-operative organizations many other co-operative organizations are engaged in handling farm products or in co-operative purchasing. Among these may be mentioned the Ontario Farmers' Co-operative Co. Ltd. which operates creameries, handles live stock, field crops and engages in purchasing for its members. In addition there are co-operative organizations throughout Canada engaged in the marketing of fruit, potatoes, honey and other farm products. Space will not permit a thorough canvass of co-operative effort throughout Canada, but this brief outline will serve to show the important place which co-operation occupies in the agricultural industry of Canada.

### **Agricultural Wealth and Revenue**

The gross agricultural wealth of Canada, 1931, was estimated at approximately \$6,768,595,000 as compared with \$7,373,559,000, the estimate for 1930. The gross value of the agricultural production was over \$880,000,000 in 1931, a reduction of \$382,000,000 from 1930.

The tables below give the agricultural wealth and production of Canada by provinces for 1931, and the agricultural revenue by items, 1926-31. Ontario had 29 p.c. of the total wealth, Saskatchewan over 21 p.c. and Quebec over 18 p.c.

# **Estimated Gross Agricultural Wealth of Canada, by Provinces, 1931**

("000" omitted)

Province	Lands	Buildings	Implements and Machinery	Live Stock	Poultry	Animals on Fur Farms	Agricultural Production	Total
	\$	\$	\$	\$	\$	\$	\$	\$
P.E. Island.....	28,746	17,289	6,870	5,523	794	1,500	12,318	72,770
Nova Scotia.....	49,155	51,173	10,146	12,607	1,044	750	27,335	152,210
New Brunswick....	61,112	45,158	13,545	12,822	1,136	1,000	24,086	158,840
Quebec.....	546,606	285,530	111,940	88,473	6,657	3,000	182,134	1,223,723
Ontario.....	808,124	491,330	169,954	151,904	15,551	3,000	305,624	1,945,487
Manitoba.....	315,245	113,005	67,848	36,825	3,659	750	52,997	589,711
Saskatchewan.....	877,042	216,398	176,676	76,213	5,837	900	106,611	1,459,752
Alberta.....	523,221	121,765	98,814	67,229	4,881	1,100	135,571	952,229
British Columbia..	107,020	41,036	9,379	16,704	3,579	1,000	35,155	213,873
Canada.....	3,316,061	1,382,684	665,172	468,300	43,138	13,000	881,831	6,768,595

# **Gross Annual Agricultural Revenue of Canada, 1926-31**

("000" omitted)

Item	1926	1927	1928	1929	1930	1931
	\$	\$	\$	\$	\$	\$
Field crops.....	1,104,983	1,172,643	1,125,003	948,981	662,041	426,656
Farm animals.....	178,383	183,927	197,880	207,317	166,630	95,747
Wool.....	4,140	4,108	5,099	4,470	2,311	1,644
Dairy products.....	277,305	294,874	293,045	291,743	272,458	237,922
Fruits and vegetables.....	43,075	46,027	48,756	46,398	40,709	36,234
Poultry and eggs.....	83,569	97,937	106,653	107,664	95,227	65,178
Fur farming.....	3,520	4,798	6,106	6,791	4,925	4,000
Maple products.....	4,896	4,935	5,583	6,119	5,251	3,538
Tobacco.....	7,380	9,112	6,834	6,276	7,058	7,178
Flax fibre.....	208	321	509	393	371	179
Clover and grass seed.....	5,097	3,841	2,957	2,123	2,482	1,497
Honey.....	1,921	2,937	3,015	2,849	2,584	2,058
Totals.....	1,714,477	1,825,460	1,801,440	1,631,124	1,262,047	881,831

An estimate of the net agricultural revenue of Canada is arrived at by a series of proper deductions from the gross field-crop revenue for such items as feed for farm animals and poultry, seed and unmerchandise grain. A preliminary estimate of the net agricultural revenue of Canada in 1931 is given as \$626,776,000, compared with a revised estimate of \$860,077,000 for 1930.

The preliminary estimate of the total value of field crops for 1932 is slightly below that of 1931, being \$424,057,900 as compared with \$426,656,400. With few exceptions the unit prices for 1932 crops are lower than those received last year, but increased grain production is estimated to have offset most of this decrease. During the past season there has been a decidedly better distribution of the farm income than in 1931. Areas of crop failure are reduced. In Manitoba and Saskatchewan, particularly, the revenue from field crops is higher. Marketings of hogs have increased during 1932 but marketings of cattle and sheep are slightly lower. The prices of live stock are sharply reduced. Butter production has fallen, but more milk has been diverted to the manufacture of cheese. Agricultural net income is depressed by the low and falling prices of farm products and the relatively higher and more stable outlays necessary to meet fixed charges.



### Field Crops

*Acreages.*—According to the census of 1891, the area of field crops in 1890 amounted to 15.6 million acres. This grew to nearly 58 million acres in 1931, an increase of 272 p.c. during the forty-one years. Two main factors were responsible for this extensive growth in sown acreage, firstly the opening of the Prairie Provinces, and secondly, the Great War, for within the period from 1913 to 1919 alone the area under field crops increased by about 50 p.c.



A Three-Furrow Tractor-Plough in Operation.

*Courtesy Canadian Government Motion Picture Bureau*

*Wheat.*—A remarkable growth in the production of wheat is indicated by the following statistics dating back to 1870. Prior to 1905 the amount of wheat produced was less than 100 million bushels. For six years it remained steadily over this figure until 231 million bushels was reached in 1911. In only three of the next twenty years was wheat production less than 200 million bushels, *viz.*, 1914, 18 and 19. The phenomenal 1915 crop of over 393 million bushels set a record for a number of years until 1922, when nearly 400 million bushels were produced. New high records were attained in 1923 (474 million bushels); in 1927 (480 million bushels); and in 1928 (567 million bushels). The years 1929 to 1931 were marked by less propitious climatic conditions for wheat growth. During 1932, 431,200,000 bushels of wheat were provisionally estimated as harvested; this is the fourth largest crop in Canadian agricultural history and approximates the recent average.

### Production, Imports and Exports, of Wheat for Canada, 1870-1932

NOTE.—(1) For the above table, wheat flour has been converted into bushels of wheat at the uniform average rate of 4½ bushels to the barrel of 106 lb. of flour. (2) The exports and imports relate to the years ended June 30, 1871-1901, and July 31, 1911-32. They are not of course, yet available for the year ending July 31, 1933. (3) The asterisk (\*) against the census years 1870 to 1920, indicates that the production figures for those years are from the reports of the decennial censuses.

Year	Production	Imports of Wheat and Flour	Exports of Wheat and Flour	Year	Production	Imports of Wheat and Flour	Exports of Wheat and Flour
	000 bush.	bush.	bush.		000 bush.	bush.	bush.
*1870.....	16,724	4,304,405	3,127,503	1919.....	193,260	201,757	92,499,554
*1880.....	32,350	965,767	4,502,449	*1920.....	226,508	454,749	166,315,443
*1890.....	42,223	406,222	3,443,744	1921.....	300,858	372,042	185,769,683
*1900.....	55,572	314,653	14,773,908	1922.....	399,786	397,519	279,364,981
*1910.....	132,078	407,639	62,398,113	1923.....	474,199	440,741	346,566,561
1911.....	230,924	375,486	97,600,904	1924.....	262,067	619,404	192,721,772
1912.....	224,159	889,387	115,744,172	1925.....	395,475	379,194	324,692,024
1913.....	231,717	357,945	135,587,447	1926.....	407,136	407,119	292,880,996
1914.....	161,280	2,189,039	96,750,125	1927.....	479,665	473,308	332,063,283
1915.....	393,543	305,179	269,187,743	1928.....	566,726	1,345,881	407,564,186
1916.....	262,731	304,433	174,565,250	1929.....	304,520	1,374,726	186,267,210
1917.....	233,743	281,258	109,240,340	1930.....	397,872	244,220	258,637,886
1918.....	189,075	321,559	96,960,401	1931.....	304,144	216,328	207,029,555
				1932.....	431,200 <sup>1</sup>	—	—

<sup>1</sup>Provisional estimate.

**Other Grains.**—These grains consist of oats, barley, flaxseed, rye, buckwheat, peas, mixed grain and corn. The first three have assumed real importance among the field crops of Canada. The volume of oat production has attained considerable dimensions, reaching the record total of close upon 564 million bushels in 1923, although the average for the years 1927-1931 was 384 million bushels; the area under crop has expanded from 3,961,356 acres in 1890 to 13,156,700 acres in 1932. Barley, with a production of 11,496,000 bushels in 1870, yielded a record total of 136,391,400 bushels in 1928, while the yield was 82,981,000 bushels in 1932. Rye production amounted to 1,064,358 bushels in 1870, increased to 32,373,400 bushels in 1922, and receded to 9,937,000 bushels according to the second estimate of 1932.

**Values of Field Crops.**—Prices of agricultural products were at an unusually high level during the War and until 1919, then slumped steeply, falling to a low level in 1923, but recovered considerably in later years. The value of the field crops of Canada, which in 1910 was \$384,513,795, had increased by 1914 to \$638,580,000. As the effects of the War came to be felt, the maximum was reached in 1919 with a total of \$1,537,170,100. This value receded to \$899,226,200 in 1923; but the recovery of prices combined with excellent harvests, brought the value up to \$1,173,133,600 in 1927 and \$1,125,003,000 in 1928. Since then it has declined to \$948,981,000 in 1929, \$662,040,900 in 1930 and \$426,656,400 in 1931. The preliminary estimate for 1932 itemized on p. 71 shows a further reduction to a total value of \$424,057,900. The preliminary figures for the 1932 crop represent prices received up to the end of November. Naturally, revisions will be necessary in accordance with the trend of farm prices in the remainder of the marketing season. During the first weeks of December there have been seasonal increases in the prices of some minor products, but further sharp recessions in grain prices have much more than offset these improvements.

**The Field Crops of Canada, 1932***(According to Provisional Estimates.)*

Field Crop	Area	Total Yield	Total Value <sup>1</sup>
	acres	bush.	\$
Wheat.....	27,174,900	431,200,000	133,866,000
Oats.....	13,156,700	394,876,000	74,408,000
Barley.....	3,742,000	82,981,000	17,007,000
Rye.....	772,600	9,037,000	1,642,000
Peas.....	83,200	1,505,800	1,287,700
Beans.....	70,300	1,059,600	681,200
Buckwheat.....	360,500	8,281,000	3,872,000
Mixed grains.....	1,190,200	39,878,000	13,168,000
Flaxseed.....	453,750	2,533,700	1,312,000
Corn for husking.....	137,000	5,231,000	2,276,000
		cwt.	
Potatoes.....	535,700	39,249,000	22,566,000
Turnips, mangolds, etc.....	168,000	35,847,000	10,005,000
		tons	
Hay and clover.....	9,082,000	13,682,000	96,096,000
Alfalfa.....	661,400	1,757,000	15,085,000
Fodder corn.....	360,200	2,825,000	7,991,000
Grain hay.....	1,890,500	3,341,950	20,312,000
Sugar beets.....	45,000	450,000	2,393,000

<sup>1</sup> Preliminary estimates.

*The Flour-Milling Industry.*—This most important manufacture connected with the field crops dates back to the settlement made by the French at Port Royal (now Annapolis, N.S.) in 1605. Milling was, of course, an absolute necessity to the first settlers. The Napoleonic wars established the export business and for the next half-century the mills were closely associated with the commercial and banking history of the country. Large scale production in milling in Canada began with the competition between the two processes, stone and roller milling. By the '80's the roller process had secured a virtual monopoly and local mills gave way to large mills served by elevators at central points. The high quality of Canadian wheat became recognized throughout the world, and Canada's huge export trade in wheat and its products developed. The milling industry grew apace.

In 1931, according to the preliminary estimate, there were 1,277 mills including 1,000 country mills; the capital invested was \$60,988,528; while the value of products was \$95,590,570. The exports of wheat flour in the fiscal year 1868-69 were 375,219 barrels valued at \$1,948,696. It was not until the fiscal year 1898 that Canada reached over the million mark, when 1,249,438 barrels were exported with a value of \$5,425,760. This was increased to 12,021,424 barrels, valued at \$61,896,251, during the crop year ended July 31, 1923-24, which was the peak year for the exports. The exports receded to 5,383,594 barrels in 1931-32 with a value of \$18,571,840. Canada normally ranks second among the world exporters of wheat flour, surpassed only by the United States.

Flour produced from the crop of 1930 made a new record for the flour-milling industry in Canada, for during the crop year ended July 31, 1931, wheat ground in commercial flour mills totalled 71,380,459 bushels and flour produced amounted to 15,967,696 barrels. Preliminary figures for the crop year ended July 31, 1932, were 65,584,232 bushels of wheat and 14,664,848 barrels of flour.

The total daily capacity of flour mills in 1932 was nearly 112,000 barrels. Canada has to-day the largest flour mill in the British Empire, with a daily capacity of 14,000 barrels, while her largest milling company controls a daily capacity of 24,500 barrels.

### Special Crops

A feature of Canadian agriculture is the number of crops which are grown in localities specially suited for their production. Some of the more important of these are tobacco, sugar beets, maple syrup and sugar, and flax and hemp for fibre.



Until relatively recent times the growing of tobacco has been almost entirely limited to semi-tropical lands. Canada has shown, however, that she can

produce leaf of the best quality. The illustration shows a fine crop of tobacco, grown as far north as Ottawa, which compares favourably with the growth of semi-tropical tobacco shown on page 35. Inset: A load of leaf ready for the curing barns.

*Courtesy Canadian Government Motion Picture Bureau.*

The various types of tobacco are grown in different regions of Quebec and Ontario and in increasing amounts, having practically tripled since 1900. The production for 1931 was 51,300,000 pounds from 55,069 acres. About 49,000,000 pounds will be harvested in 1932. Prices remain very low.

The production of maple syrup and sugar in 1932 was valued at \$2,746,757, about two-thirds of which came from Quebec.

Sugar beets are grown in the neighbourhood of sugar beet factories at Chatham and Wallaceburg in Ontario and Raymond in Alberta, and there are other areas sown to this crop in Quebec and Manitoba. The production has made its most significant increase since the early war years. In 1931, the latest year for which factory statistics are available, the output of refined beetroot sugar amounted to 107,139,129 pounds valued at \$4,794,550. The production in 1932 is again high.

Flax for fibre and fibre-seed production expanded greatly during the War, but has since declined.



Hops occupy a relatively small acreage in British Columbia, the yield in 1931 being 1,230,250 pounds.

Commercial gardening is an important occupation in many favoured regions throughout Canada, principally in suburban areas.



A Pen of White Leghorn Cockerels at 25 Weeks.

—Although the white leghorn is renowned for egg-laying rather than as a table bird, with proper feeding it can be made to put on weight satisfactorily. Inset: A case of dressed milk-fed cockerels packed for export.

*Courtesy Canadian Government Motion Picture Bureau*

Specialized poultry farming has increased in popularity in the past ten years, particularly in Ontario and British Columbia, and there has also been a large expansion in farm flocks. The effects of selective breeding are notable in improving quality of eggs and dressed poultry. Grading of marketed products is also receiving more attention.

The total estimated production of honey in Canada in 1931 was 27,867,397 pounds as compared with 29,549,386 pounds in 1930. The 1931 production was valued at \$2,058,094. The unfavourable season of 1932 decreased the production greatly.

The production of clover, alsike, alfalfa and sweet clover seed amounted to 20,363,000 pounds valued at \$1,309,340 in 1931. The 1932 production was much lower.

## The Live-Stock Industry

Although somewhat overshadowed by the grain-growing industry the raising of live stock has made very substantial progress not only in point of numbers but in the improvement of foundation stock. Fortunately, virulent animal diseases, which affect the farm live stock of Europe, have never obtained a footing in Canada. Numerically, since the first census after Confederation (1871) horses have increased from 836,743 to 3,129,000 in 1931, cattle from 2,484,655 to 7,991,000, and swine from 1,366,083 to 4,717,000. The number of sheep has fluctuated considerably; in 1871 it was 3,155,509 but for many years afterwards it declined. Since 1926 the number has increased from 3,142,476 to 3,262,706 in 1927, 3,415,788 in 1928, 3,635,923 in 1929, 3,696,000 in 1930 and 3,608,000 in 1931. The wool clip has correspondingly increased from 17,959,896 lb. in 1926 to 20,365,000 lb. in 1931, but owing to a marked falling-off in the average price of wool the value of the clip fell from \$4,140,000 in 1926 to \$1,644,000 in 1931. Poultry in Canada in 1931 numbered 65,466,719.



Pedigree Sheep on the Prince of Wales Ranch in Alberta.

*Courtesy Canadian Government Motion Picture Bureau*

*Slaughtering and Meat Packing.*—Since 1900 the separation between the farm and the manufacture and marketing of animal products has become more and more pronounced, leading to the development of an important slaughtering and meat-packing industry. Returns for 1931 show 147 establishments engaged in slaughtering and meat packing as compared with 193 in 1871, but the industry showed a capital investment of \$62,481,905 as compared with \$419,325 in 1871. The number of employees had increased from 841 to 9,294 and salaries and wages from \$145,376 to \$11,626,678 over the same period. The cost of materials used in 1931 was \$91,276,842, and the value of the products \$117,596,697. (See also p. 108.)

Exports of cattle during the first nine months of 1932 numbered 29,589 head valued at \$1,941,432, of which 15,905 head valued at \$1,210,989 went

to the United Kingdom and 11,048 head valued at \$644,372 to the United States; during the same period in 1931 exports of cattle numbered 39,973 head valued at \$2,463,901, of which 16,912 head went to the United Kingdom and 19,716 head to the United States. Exports of sheep during this period totalled 1,300 head as compared with 1,534 head for the nine months of 1931 and exports of swine were 4,708 head as compared with 2,815 head in 1931.



A Fine Display of Graded Beef.

Inset: A machine used for marking the quality of the meat in indelible ink. The quality of ungraded products is always uncertain—graded products are guaranteed.



*Courtesy Canadian Government Motion Picture Bureau*

Exports of bacon and hams showed a very encouraging increase for the nine-month period. In 1931 total shipments to all countries amounted to 56,788 cwt. and in 1932 to 291,896 cwt. with respective values of \$1,117,835 and \$3,082,935. In each case the greater portion was sent to the United Kingdom, the amount for 1932 being 246,856 cwt. valued at \$2,420,738. The increased export of bacon and hams is reflected in the total export value of all meats which was \$5,119,308 for the nine months of 1932 as compared with \$2,688,345 in 1931.

Low agricultural prices have reduced the value of total exports of animals and animal products from \$51,329,431 in 1931 to \$42,130,156 in 1932. Of the latter amount goods to the value of \$21,889,829 went to the United Kingdom and \$12,208,207 to the United States.

## Dairying

Dairying has long held an important place among Canadian industries. Cattle were introduced by the first settlers and there naturally followed the making of home-made butter and cheese, at first purely for home consumption, but later for export. The export market grew; during the fiscal year ended March 31, 1926, Canada exported 1,483,000 cwt. of cheese valued at nearly \$34,000,000 and 233,000 cwt. of butter valued at nearly \$9,000,000. Since 1926 exports of these commodities have shown a falling-off, especially butter exports, which dropped from about 99,000 cwt. valued at \$3,352,000 in the fiscal year 1927 to 11,629 cwt. valued at \$389,149 for the fiscal year 1931; for the fiscal year 1932 exports of butter increased to 109,173 cwt. valued at \$2,362,888. During the first nine months of 1932 exports of butter were 31,498 cwt. valued at \$586,519 as compared with 78,840 cwt. valued at \$1,731,832 for the first nine months of 1931. Cheese exports for the fiscal year 1931 were 795,904 cwt. valued at \$12,989,726 and for 1932 854,247 cwt. valued at \$10,593,967. For the first nine months of 1932 exports were 556,560 cwt. (\$5,709,263) compared with exports of 479,281 cwt. (\$6,025,860) for the same months of 1931.

An analysis of production figures since 1916 indicates a general tendency toward increase in the manufacture of creamery butter. In 1916 the output was 82,564,130 pounds valued at \$26,966,355 which in 1924 had increased to 178,893,937 pounds valued at \$60,494,826. During the next five years the production was fairly steady, remaining between 168 and 179 million pounds per annum. In 1930 a new high record of 185,751,061 pounds was established which was again exceeded in 1931 by a production of 225,955,246 pounds. Low average prices prevailing in both these years produced low total values of \$56,670,504 and \$50,198,878 respectively. During the first nine months of 1932 the production totalled 168,197,544 pounds, which, compared with 179,381,856 pounds for the same period in 1931, shows a percentage decrease of 6.2.

Factory cheese reached its peak of production in 1917 when 194,904,336 pounds valued at \$41,180,623 were manufactured. In 1919 the total quantity produced was 166,421,871 pounds with a total value of \$44,586,168 which was the peak in values. During the next five years the production fluctuated between 136 and 162 million pounds, and again in 1925 a high production of 177,139,113 pounds valued at \$36,571,556 was reached. In 1926 the production was 171,731,631 pounds valued at \$28,807,841, but since that time and particularly during 1929, 1930 and 1931 there has been a very marked falling-off in production with accompanying low valuations. Quantities and values for the three years respectively are as follows:—118,746,286 pounds and \$21,471,330; 119,105,203 pounds and \$18,089,870; 113,956,639 pounds and \$12,824,695.

Fundamental changes have been going on in the industry and some of the milk that formerly went into cheese appears now to find its way into miscellaneous factory products. It will be observed from the table on p. 77 that the total value of all products of the industry shows a fairly satisfactory trend over the six years 1925-30; the unusually low prices for all dairy produce prevailing during 1931 have very materially reduced the values for that year. This condition has extended into 1932.



**Value of the Dairy Production of Canada, by Provinces, 1931, with  
Dominion Totals for 1925-30**

Province	Dairy Butter	Creamery Butter	Home- made Cheese	Factory Cheese	Miscel- laneous Factory Products	Milk Consumed Fresh or otherwise Used	All Products
	\$	\$	\$	\$	\$	\$	\$
Prince Ed. Island	468,000	489,189	50	59,103	58,370	858,000	1,932,712
Nova Scotia	1,263,000	1,510,560	5,250	-	1,006,155	3,149,000	6,933,965
New Brunswick	2,458,000	614,463	800	62,355	341,029	2,856,000	6,332,647
Quebec	3,312,000	14,970,698	29,000	2,905,855	2,511,183	15,433,000	39,161,736
Ontario	7,500,000	18,023,230	15,000	9,471,427	10,018,429	11,491,000	56,519,086
Manitoba	1,275,000	4,370,195	22,000	61,324	427,721	5,983,000	12,139,240
Saskatchewan	3,180,000	4,025,100	16,000	39,200	490,771	6,760,000	14,511,071
Alberta	1,785,000	4,711,231	17,000	118,390	459,991	9,481,000	16,572,612
British Columbia	482,000	1,484,212	3,400	107,041	1,768,858	3,295,000	7,140,511
Canada—							
1931	21,723,000	50,198,878	108,500	12,824,605	17,082,507	59,306,000	161,243,580
1930	23,844,000	56,670,504	112,040	18,089,870	21,305,045	149,823,000	209,844,459
1929	28,929,000	65,929,782	82,800	21,471,330	22,091,945	153,238,000	291,712,857
1928	29,103,000	64,702,538	82,000	30,494,063	20,581,490	152,661,856	297,625,347
1927	30,435,121	65,709,986	70,654	25,522,148	18,879,335	154,237,346	294,874,590
1926	28,252,777	61,753,390	80,240	28,807,841	17,767,271	140,643,460	277,304,979
1925	32,128,799	63,008,097	95,073	36,571,556	16,882,747	136,177,373	284,863,645

The production figures, in conjunction with those for exports, indicate that the home market is demanding a larger proportion of the products.

### The Fruit-Growing Industry

In certain sections of Canada, the climate and soil are eminently adapted to fruit growing, and the Annapolis valley, the Niagara peninsula and the Okanagan district of British Columbia are world famous centres of fruit production. Experimental shipments of apples from the Annapolis valley were first made in 1861. Up to 1890 the annual production of apples by Nova Scotia rarely exceeded 100,000 barrels; but after that date there was a pronounced increase in acreage and in production, which latter reached 1,000,000 barrels in 1909, and 1,900,000 barrels in 1911. Further high records were made in 1919 with over 2,000,000 barrels, and in 1922, when 1,891,850 barrels were packed and sold from the Annapolis valley and adjacent districts. In Ontario, where the commercial production of all varieties of fruit has reached its highest development, apples have been grown from the middle of the eighteenth century, but commercial orcharding has developed only during the past 50 or 60 years, and was only possible when the building of the railways permitted trees and fruit to be rapidly transported. In British Columbia commercial fruit growing is of comparatively recent origin, growth in production having been particularly rapid since 1910. The first apple trees were planted about 1850, but not until after completion of the Canadian Pacific Railway in 1886 were many trees planted for commercial purposes. In 1891 the area under all kinds of fruit in British Columbia was 6,500 acres; by 1921 this area had expanded to 43,569 acres.

In 1931 the total value of Canadian commercial fruits was \$14,756,636, including: apples, \$8,863,797; pears, \$447,782; plums and prunes, \$316,428; peaches, \$1,173,654; cherries, \$546,527; strawberries, \$1,691,471; raspberries, \$822,362; apricots, \$82,335; and grapes, \$813,280.

The 1932 apple crop in Canada is considerably lower than production in 1931. In the Maritime Provinces production is lower this year, especially in Nova Scotia where serious damage resulted from heavy windstorms in September. The Quebec crop is estimated to be lower than last year but larger than average. Apple production in Ontario is sharply lower this year due to unfavourable development of the crops during the growing season. Growing conditions in British Columbia have been satisfactory during the present year and production is considerably larger than in 1931.



Fruit Farms near Grimsby, Ontario.—Lake Ontario in the background.

*Courtesy Canadian Government Motion Picture Bureau.*

*Manufactures Dependent on Fruit Growing.*—The most important industry associated with fruit growing is that of fruit and vegetable canning, preserving, etc. Factories are located at convenient points throughout the districts where fruit and vegetable crops are a specialty. Another closely related industry is the manufacture of vinegar, cider, pickles and sauces. In 1931 these two industries operated 278 establishments, representing a capital investment of \$48,152,325 and with a production valued at \$32,572,580, which was a decrease of \$10,521,172 from the production of 1930.

The wine industry has grown very rapidly in the last decade, the estimated value of native wines produced increasing from \$706,000 in 1921 to \$5,025,000 in 1930, and this expansion has stimulated a large increase in the acreage and production of grapes.

## CHAPTER V

### THE FOREST WEALTH OF CANADA— LUMBERING—PULP AND PAPER

The forests of Canada rank second only to agriculture, among the primary industries, in their contribution to the national production. It is estimated that forest products make up about 20 p.c. of all the freight hauled on Canadian railways. The large excess of exports over imports which the group "wood, wood products and paper" provides, amounting to \$143,732,101 for the fiscal year ended March, 1932, constitutes an influential factor in Canada's international trade.

Of the total forested area of 1,153,005 square miles, about 32.8 p.c. carries merchantable timber, and 35.8 p.c. carries young growth. The remaining 31.4 p.c. is non-productive under present conditions.

The total volume of standing timber has been estimated at 267,733 million cubic feet capable of being converted into 448,255 million board feet of lumber and 1,528,767,000 cords of pulpwood, ties, poles and similar forest products. The eastern provinces are estimated to contain about 56.2 p.c., the Prairie Provinces about 15 p.c., and British Columbia about 29 p.c. of this total volume. The total annual drain on the forests including loss by fire, etc., is estimated at 4,102 million cubic feet, but it does not follow that our capital will be exhausted in the sixty-five years which a simple calculation might imply. The rate of utilization will no doubt be reduced as the supply diminishes and losses due to fires, wasteful utilization and other preventable causes are curtailed. An annual increment of 10 cubic feet per acre, which is quite possible under forest management, would provide in perpetuity for the needs of a population of over seventeen millions at our present annual rate of use, which amounts to about 416 cubic feet per capita.

Represented in the three great forest divisions of Canada are approximately 160 different species of plants reaching tree size. Only 31 of these species are coniferous, but the wood of these forms 80 p.c. of our standing timber, and 95 p.c. of our sawn lumber.

#### Operations in the Woods

The value of forest production resulting from operations in the woods of Canada is, according to latest figures, \$207,000,000 annually, being made up of logs and bolts for sawmills valued at \$76 millions; pulpwood for domestic use and export valued at \$68,000,000; firewood valued at \$44,000,000; hewn railway ties valued at \$5,000,000; poles valued at \$7,000,000; and other primary forest products, such as square timber, fence posts and rails, and wood for distillation. It has been estimated that this rate of total primary forest production involves the cutting of over 3,056 million cubic feet of standing timber annually. In connection with operations in the woods, the forests not only provide the raw material

for the sawmills, pulp-mills, wood distillation, charcoal, excelsior and other plants, but also logs, pulpwood and bolts for export in the unmanufactured state and fuel, poles, railway ties, posts and fence rails, mining timber, piling and other primary products which are finished in the woods ready for use or exportation. There are also a number of minor forest products, such as maple sugar and syrup, balsam gum, resin, cascara, moss and tan-bark, which all go to swell the total.

The following table gives the total values of the products of woods operations in Canada for the years 1926 to 1930 inclusive.

**Value of the Products of Woods Operations, by Products, 1926-30**

Product	1926	1927	1928	1929	1930
	\$	\$	\$	\$	\$
Logs and bolts.....	75,791,932	74,270,067	76,431,481	79,278,543	75,563,041
Pulpwood.....	68,100,303	70,284,895	74,848,077	76,120,063	67,529,612
Firewood.....	40,032,804	40,582,774	41,164,270	41,764,507	43,786,064
Hewn railway ties.....	6,792,087	6,242,865	5,871,724	5,730,423	5,038,899
Square timber.....	2,043,543	2,865,906	3,772,137	4,179,077	2,945,748
Poles.....	3,828,193	3,948,723	4,034,371	6,677,559	6,733,259
Round mining timber.....	1,566,938	965,185	998,146	1,028,126	885,343
Fence posts.....	1,318,291	1,281,633	1,506,050	1,674,489	1,585,985
Wood for distillation.....	402,818	482,277	470,726	455,957	335,330
Fence rails.....	440,097	431,057	463,469	477,569	624,968
Miscellaneous products.....	3,459,322	3,584,368	2,484,348	2,183,816	1,825,245
<b>Totals.....</b>	<b>204,436,328</b>	<b>204,939,750</b>	<b>212,950,799</b>	<b>219,570,129</b>	<b>206,853,494</b>



Loading Logs in British Columbia.

*Courtesy R. M. Eassie, Vancouver.*



### The Lumber Industry

Except in Nova Scotia, 90 p.c. of the forest land is still the property of the Crown—the lumbermen having been granted cutting rights only—and is administered by the various provincial departments.

Canada's sawmills produced, in 1930, 3,989,421 M feet board measure of sawn lumber, valued at \$87,710,957. The greater part of this lumber is coniferous softwood, as the supply of the more valuable hardwoods such as hickory, oak and walnut (once plentiful in southern Ontario and Quebec) has been almost exhausted. The mills also produced 1,914,836 thousand shingles, valued at \$5,388,837; 398,254 thousand lath, valued at \$1,154,593; as well as numerous other products to the value of \$26,888,598; bringing the total value of the products of the industry up to \$121,142,985, over four times that of Confederation days.

Markets for Canadian lumber now include practically all the more important countries of the world, having extended even into the Orient. There is also a considerable trade between British Columbia and the Atlantic Coast States and provinces *via* the Panama Canal.



Sorting Tables at a Canadian Sawmill.—The sawn lumber from the mill moves along the conveyor belts and is sorted for length and quality during transmission. Note the trucks drawn up to the sides of the tables to collect the different grades.

*Courtesy, Department of the Interior.*

The following table gives the production of lumber and other sawmill products by provinces. British Columbia produced over 37 p.c. of the total value, Quebec 28 p.c., Ontario, 20 p.c., followed by New Brunswick, Nova Scotia, Alberta, Manitoba, Saskatchewan and Prince Edward Island in the order named.

### Production of Lumber and other Sawmill Products in Canada, by Provinces, 1930

Province	Lumber Production		Other Sawmill Products	Total All Products
	Quantity	Value	Value	Value
	M ft. b.m.	\$	\$	\$
Prince Edward Island.....	4,777	113,769	15,809	129,578
Nova Scotia.....	129,425	2,529,460	709,387	3,238,847
New Brunswick.....	275,626	6,409,431	2,154,984	8,564,415
Quebec.....	683,591	17,222,734	17,126,430	34,349,164
Ontario.....	718,419	21,101,797	3,612,371	24,714,168
Manitoba.....	83,253	1,689,947	70,722	1,760,669
Saskatchewan.....	47,355	1,001,583	18,585	1,020,168
Alberta.....	118,377	2,223,794	166,703	2,390,587
British Columbia.....	1,928,598	35,418,442	9,556,947	44,975,389
Totals.....	3,989,421	87,710,957	33,432,028	121,142,985

### The Pulp and Paper Industry

The pulp and paper industry ranks first among Canadian manufacturing industries in gross and net value of products, as well as in wages and salaries paid. Its development has taken place for the most part during the present century, and is due chiefly to the existence in Canada of abundant water powers adjacent to extensive resources of the various pulpwood species.



Stacking Pulpwood at a large Quebec Pulp and Paper Mill.

*Courtesy Canadian Government Motion Picture Bureau.*

The gross output of the industry increased rapidly and steadily until the boom years following the Great War when it jumped to a peak of over \$232 millions in 1920. This was followed in 1921 by a drop which was general throughout the industrial field. From that year on there was a steady recovery resulting in a total for 1929 of \$243,970,761 followed by decreases to \$215,674,246 in 1930 and \$174,733,954 in 1931.

The following table gives the gross and net values of production for the industry as a whole for the six years 1926 to 1931.

	Gross Production	Net Production
1926.....	\$215,370,274	\$130,004,809
1927.....	219,329,753	134,516,673
1928.....	233,077,236	144,586,815
1929.....	243,970,761	147,096,012
1930.....	215,674,246	133,081,991
1931.....	173,733,954	110,786,276

The net value of production, which represents the difference between the values of raw materials and the finished products, is the best indication of the relative importance of a manufacturing industry. Regarded from this viewpoint the pulp and paper industry has headed the lists of manufacturing industries since 1920, when it replaced the sawmills. The industry has also headed the lists in wages' and salaries' distribution since 1922, when it replaced the sawmills in this respect, and it has been first in gross value of products since 1925, exceeding the gross value of flour-mill production.

There are three classes of mills in the industry. These in 1930 comprised 32 mills making pulp only, 43 combined pulp and paper mills, and 28 mills making paper only.

#### Production of Wood Pulp in the Two Principal Provinces, and in Canada, 1925-31

Year	Quebec		Ontario		Canada	
	Quantity	Value	Quantity	Value	Quantity	Value
	tons	\$	tons	\$	tons	\$
1925.....	1,370,303	50,490,231	976,717	33,559,038	2,772,507	100,216,383
1926.....	1,672,339	59,218,676	1,095,987	38,008,752	3,229,791	115,154,199
1927.....	1,749,965	60,884,160	1,007,118	35,034,468	3,278,078	114,442,550
1928.....	2,018,566	67,467,328	1,050,335	35,708,079	3,608,045	121,184,214
1929.....	2,174,805	69,286,498	1,255,010	39,963,767	4,021,229	129,033,154
1930.....	1,833,000	58,703,067	1,043,559	31,463,873	3,619,345	112,355,872
1931.....	1,513,658	41,884,387	958,100	22,944,943	3,167,000	84,780,819

In 1931 the 75 mills making pulp produced 3,167,960 tons valued at \$84,780,819, representing a decrease of 10 p.c. in quantity and 24.5 p.c. in value from 1930, and of this about 76 p.c. by quantity was made in combined mills and used by them in paper-making. About 3 p.c. was made for sale in Canada and 21 p.c. was made for export.

Of the total pulp production in Canada in 1931, 63.7 p.c. was ground-wood, 20.2 p.c. unbleached sulphite, 9.5 p.c. bleached sulphite, 4.6 p.c. sulphate and soda and the remaining 2 p.c., screenings.

The total production of paper in 1931 was 2,611,225 tons, which with certain unspecified products was valued at \$143,957,264. Newsprint and similar paper made up 2,227,052 tons, or 85.3 p.c. of the total, valued at

\$111,419,637; paper boards made up 8 p.c., wrapping paper 3 p.c., book and writing paper less than 3 p.c., and miscellaneous papers the remainder. The production of paper increased three and three-quarter times in the period from 1917 to 1929 in Canada, owing chiefly to the increase in the production of newsprint, although practically all the different kinds of paper that are used in Canada at the present time can be produced in Canadian mills.

Canada's newsprint production in the year 1931 was 92 p.c. greater than that of the United States, a few years ago the world's chief producer. In 1913 the production across the border was over three times as much as in Canada, but during the following 13 years, while production still increased in both countries, the gain in Canada was over 437 p.c. as compared to less than 30 p.c. in the United States. Since 1926 there has been an actual, as well as a relative, decrease in the United States production.

The latest monthly figures of newsprint production for 1932 are:—

1932—	tons	1932—	tons	1932—	tons
January.....	171,321	May.....	175,887	September.....	150,691
February.....	158,543	June.....	161,368	October.....	157,506
March.....	166,758	July.....	142,491	November.....	161,334
April.....	176,660	August.....	157,919		

*Trade.*—A striking reflection of the increased production of newsprint between 1910 and 1931 is seen in the trade figures. The export trade in paper did not develop until the beginning of the present century. By 1910, however, the exports of newsprint paper were valued at over \$2,000,000; in 1920 they were valued at over \$53,000,000, whilst during the subnormal fiscal year 1931-32 Canada exported 1,997,107 tons of newsprint valued at \$103,003,352. This single item of export thus ranks at present second only to wheat. Canadian newsprint is exported to over thirty countries and our total exports are greater than those of the rest of the world combined.

During the earlier stages of industrial development the exports of the wood group were made up largely of unmanufactured products such as square timber and logs. At the time of Confederation these raw materials made up over 41 p.c. of the total export trade. To-day, while the wood and paper group forms a smaller part of the total (about 30 p.c. for the fiscal year 1931-32), its character has changed. Of the exports of products of forest origin, fully or chiefly manufactured goods now form 77 p.c. and unmanufactured or partly manufactured, 23 p.c. Raw materials form only about 9 p.c. of the total.

*Industries Founded on Wood and Paper.*—According to the latest available statistics there were, in 1930, 4,176 establishments, consisting of 2,093 depending on sawmills, and 2,083 depending on the paper-mills for their materials. They employed 80,060 workers who were paid over \$100 millions, and their products were valued at more than \$299 millions. The development of the paper-using industries in Canada has been greatly accelerated within recent years by the production of cheap paper and paper-board made of wood-pulp, composition roofing, fibre wallboard and many other products which have found a definite place in modern building construction.



## CHAPTER VI

### MINES AND MINERALS

Canada's mineral industry, third in importance among the primary industries of the Dominion, being surpassed in output value only by the great basic industries of agriculture and forestry, brings to the nation a prestige beyond the monetary measure of the mineral output. First in nickel, first in asbestos, second in cobalt, second in gold, third in silver and fourth in lead, copper and zinc among the world's producers, Canada enjoys an enviable position in the mining world with every prospect of future expansion. About one-third of the freight tonnages moved in Canada consist of ores or other mineral products.



Underground in a Quebec Copper-Sulphur Property.—Drilling by compressed air drill.

*Courtesy, Department of the Interior.*

*Historical.*—Though isolated discoveries had been frequent, systematic prospecting began only in the middle of the nineteenth century with the setting up of the Geological Survey of Canada under Sir William Logan, when the herculean task of exploring, mapping and geologically surveying Eastern Canada was begun. In 1863 a comprehensive "Geology of Canada" was issued. Thus between 1843 and 1863, may be said to have

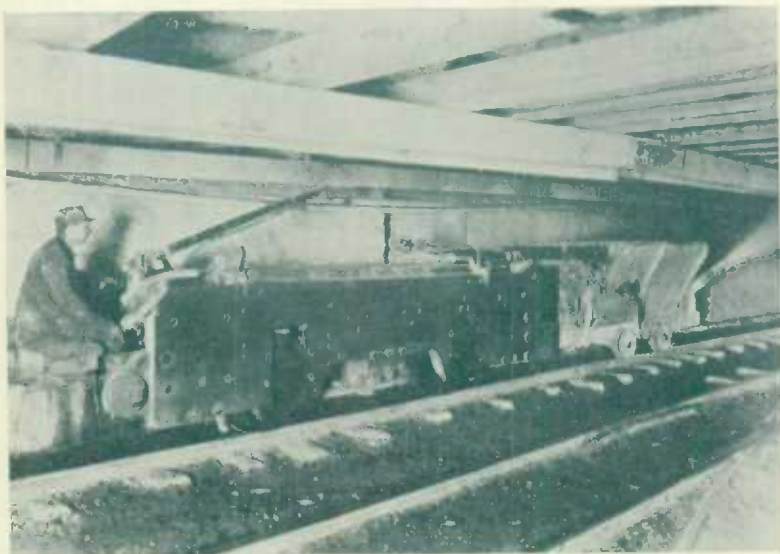
occurred the real inauguration of the mining industry in Eastern Canada. Meanwhile the Fraser River and Cariboo gold rushes of the 'fifties had founded the colony of British Columbia.

But while the work of the Geological Survey marked the first important epoch in the history of Canada's mineral industry, the completion in 1885 of the Canadian Pacific Railway opened a second chapter of even greater significance. Vast new territories where the prospector showed the way to other enterprise were rendered accessible. The most important immediate find was made near Sudbury, Ont., in 1883, when in blasting a cutting for the railway a body of nickel-copper ore was uncovered which has since made the district world-famous. Similar discoveries occurred later on in British Columbia, where during the 'nineties a remarkable succession of ore-bodies, especially auriferous copper and argentiferous lead-zinc deposits, was located in the southeastern section of the province. The famous Klondyke rush of 1898 must not be omitted in this cursory enumeration. As transportation facilities were extended, other ore deposits in different regions were found, the silver of the Cobalt district, discovered in 1903 during the construction of the Temiskaming and Northern Ontario Railway, and the extraordinarily rich gold finds at Porcupine (1909) and Kirkland Lake (1912) being notable examples. More recently, copper-gold and auriferous quartz discoveries in the Rouyn section of western Quebec led to the development of numerous mines and the construction of the Horne Copper Corporation's smelter at Noranda, Quebec, where blister copper containing gold was first poured in December, 1927. Gold mines have since been opened up in the Red Lake, Matachewan and Michipicoten areas of Ontario, and gold, copper, zinc and other metal-bearing deposits of commercial value have been found in Manitoba, where large concentrating and smelting plants have been erected and brought into operation. Since 1930, refineries for the production of electrolytic copper have been constructed and placed in operation at Copper Cliff, Ontario, and Montreal East, Quebec. In 1930, deposits of high grade radium ores associated with silver were discovered at Echo Bay, Great Bear Lake, N.W.T.

*The Modern Industry.*—Since 1886, when comprehensive data were first collected for the mining industry as a whole, the advance has been truly remarkable. Valued at \$10,221,255 in 1886, or \$2.23 per capita, ten years later production had more than doubled. In another ten years, the aggregate had grown three and one-half times. This total again more than doubled by 1916. In 1931 Canada's mineral production was computed to be worth \$228,029,018. This represented a decrease of 26 p.c. below the record value of the 1929 production but reflects only slightly the acute economic depression felt throughout the world during 1930 and 1931.

In order of total values, the leading mineral products of Canada in 1931 were: gold, coal, copper, cement, nickel, stone, natural gas, clay products, lead, sand and gravel, silver, zinc, asbestos, petroleum, lime, gypsum, salt, and platinum. This list of eighteen products includes all that reach an output value of  $1\frac{1}{2}$  million dollars or over; together they make up about 98 p.c. of the total recorded value of mineral production. In addition to these main products, some thirty other minerals were recovered in commercial quantities during the year. Canada's known mineral resources comprise almost every variety of mineral, many of the deposits

being sufficiently extensive or rich to be of world importance. Canada produces 90 p.c. of the world's output of nickel, 65 p.c. of its asbestos, about 40 p.c. of its cobalt, 13 p.c. of its gold, 9 p.c. of its lead, 11 p.c. of its silver, 11 p.c. of its zinc, and 10 p.c. of its copper. The 1931 output valuation of metallics revealed a decline from the high record established in 1929. Metals as a group, however, still retain the premier position in Canadian mineral production; this is due largely to important and increasing productions of gold, copper, lead and zinc.



Coal Mining.—An electric locomotive shown during dusting operations on the main haulage way of a Nova Scotia mine.

*Courtesy Canadian Government Motion Picture Bureau*

The value of production of non-metallics increased from \$93,239,852 in 1928 to \$97,861,356 in 1929 but decreased to \$83,402,349 in 1930, and \$65,346,284 in 1931. The sub-group fuels (mainly coal) showed a production valued at \$54,453,143 in 1931, about 83 p.c. of the group total. The most striking progress among the fuels has, however, been made by petroleum. In 1928 the production of crude petroleum was 624,184 barrels valued at \$2,035,300; in 1929 it was 1,117,368 barrels valued at \$3,731,764; in 1930 it had risen to 1,522,220 barrels valued at \$5,033,820; and in 1931 to 1,542,573 barrels valued at \$4,211,674. The increase is almost entirely due to the greater production from Western Canada, especially in the Turner valley and other areas in the outer foothills.

Clay products and other structural materials, including cement, stone, sand and gravel, and lime showed an increase from \$49,737,181 in 1928 to \$58,534,834 in 1929; this was followed by a recession to \$53,727,465 in 1930, and \$44,158,295 in 1931. Final figures of mineral production for 1931 and the official estimate for 1932 are given in the following table:—

**Mineral Production, Calendar Year 1931, and Official Estimate for Calendar Year 1932**

Item	1931		Estimate for 1932	
	Quantity	Value	Quantity	Value
		\$		\$
<b>METALLICS</b>				
Gold..... fine oz.	2,693,892	55,687,688	3,055,168	63,156,000
Silver..... fine oz.	20,562,247	6,141,943	18,333,838	5,818,000
Nickel..... lb.	65,666,320	15,267,453	29,274,871	6,987,000
Copper..... lb.	292,304,390	24,114,065	240,876,246	14,746,000
Lead..... lb.	267,342,482	7,260,183	256,343,996	5,420,000
Zinc..... lb.	237,245,451	6,059,249	171,747,600	4,112,000
Other metals.....	-	3,993,858	-	2,894,000
Totals.....	-	118,524,439	-	103,133,000
<b>NON-METALLICS</b>				
<i>Fuels</i>				
Coal..... ton	12,243,211	41,207,682	11,786,580	37,441,000
Natural gas..... M cu.ft.	25,874,723	9,026,754	23,654,600	8,873,000
Petroleum, crude..... bbl.	1,542,573	4,211,674	1,050,300	2,891,000
Peat..... ton	1,674	7,033	-	-
Totals.....	-	54,463,143	-	49,205,000
<i>Other Non-Metallics</i>				
Asbestos..... ton	164,296	4,812,886	118,407	2,897,000
Feldspar..... ton	18,343	186,961	5,776	71,000
Gypsum..... ton	863,732	2,111,517	485,235	1,178,000
Quartz..... ton	195,724	303,158	145,839	217,000
Salt..... ton	259,047	1,604,149	264,674	1,951,000
Talc and soapstone.....	-	157,083	-	158,000
Other non-metallics.....	-	1,417,387	-	1,102,000
Totals.....	-	10,893,141	-	7,574,000
<b>CLAY PRODUCTS AND OTHER STRUCTURAL MATERIALS</b>				
Clay products (brick, tile, sewer pipe, pottery, etc.).....	-	7,841,288	-	4,093,000
Cement..... bbl.	10,161,658	15,826,243	4,555,261	6,997,000
Lime..... ton	344,785	2,764,415	319,945	2,199,000
Stone, sand and gravel..... ton	-	17,726,349	-	9,500,000
Totals.....	-	44,158,295	-	22,789,000
Grand Totals.....	-	228,029,018	-	182,701,000

In 1929, for the first time in Canada's history, the mineral production rose above the three hundred million dollar mark and showed an increase of 13 p.c. over that of 1928—the former record year. The figures of values for 1931 in spite of a generally low commodity price level establish new records for gold, diatomite, sodium sulphate and salt.

The mineral production of Canada for 1930 and 1931 is given by provinces in the following table. It will be noticed that in 1931 Ontario produced 42 p.c. of the total; Quebec was second with nearly 16 p.c.; British Columbia was third with over 15 p.c. In 1929 this province produced 22 p.c. of the total and until 1931 ranked second to Ontario.



## Mineral Production of Canada, by Provinces, 1930 and 1931

Province	1930		1931	
	\$	p.c. of total	\$	p.c. of total
Nova Scotia.....	27,019,367	9.65	21,080,746	9.24
New Brunswick.....	2,191,425	0.76	2,176,910	0.96
Quebec.....	41,215,220	14.73	35,696,563	15.65
Ontario.....	113,530,976	40.57	96,113,235	42.15
Manitoba.....	5,453,182	1.95	9,965,854	4.37
Saskatchewan.....	2,368,612	0.85	1,931,880	0.85
Alberta.....	30,610,888	10.95	23,580,727	10.34
British Columbia.....	54,953,320	19.64	35,337,756	15.50
Yukon.....	2,521,588	0.90	2,145,347	0.94
Totals.....	279,873,578	100.00	228,029,018	100.00



The Turner Valley Oil Field, Alberta.

*Courtesy Canadian Government Motion Picture Bureau.*

## Review of Conditions in 1932

*Prospecting and New Development.*—Unsatisfactory conditions existing throughout the metal markets of the world during 1931 and 1932 were strongly reflected by a distinct abatement in production and in specialized or concentrated search for new base-metal ore deposits. The slackening of effort in this sphere of prospecting was, however, more or less compensated for by intensive and far-flung efforts to locate gold-bearing deposits of economic importance. The almost continuous fall in commodity prices during the past three years has not only benefited the established gold producer but has stimulated investigation as to the possibility of profitably operating on lower grade gold ores that were hereto-

fore considered of doubtful commercial value. The suspension of specie payments by Great Britain in 1931 was followed by a heavy discount of the Canadian dollar in New York. This event, possibly more than any other factor, reacted to the benefit of the Canadian gold miner and the resulting stimulation of gold mining was evidenced in the value of the precious metal produced during the first six months of 1932 when the gold output was greater than for any corresponding period in the history of Canadian mining.

Included among the more noteworthy events in the mining activities in Canada during 1932 was the ability of Noranda Mines Ltd., at Rouyn, Quebec, to adjust their mining and metallurgical operations in such a way as to successfully cope with the abnormally low prices for copper. The characteristics of the Noranda ore bodies are such that the company was able to profitably transfer their mining operations from relatively high-copper—low-gold to high-gold—relatively-low-copper ore zones. In the same province the Granada and Siscoe gold mines were in continuous operation. Encouraging results were reported throughout the year on various undeveloped gold prospects in northwestern Quebec.

In Ontario the gold producers of both the Porcupine and Kirkland Lake camps increased their outputs over those of 1931; the production from the mines in the latter camp surpassed that of the older Porcupine field for the first time in 1931. At the Ashley gold mine in Bannockburn township a new mill was erected and the property brought into production; prospecting for gold-bearing deposits was widespread in the province and, in the Swayze area especially, encouraging finds were made. The nickel-mining industry, centred in the Sudbury district, continued to feel the effects of the world-wide industrial depression; the International Nickel Company of Canada operated their mines and metallurgical plants at greatly reduced rates. Falconbridge Nickel Mines, however, maintained and even increased operations throughout the year, having a ready European market for their output which is shipped to Norway for refining. Mine development and metallurgical improvements during recent years in the Sudbury nickel area have placed this camp in splendid condition to permit an immediate expansion in nickel-copper production.

At the Central Manitoba mine, in Manitoba, production was steady; a new mine, the San Antonio, commenced producing in 1932 and a small mill on the Cryderman property was operated early in the year. The Hudson Bay Mining and Smelting Company Ltd., treating ores from the Flin Flon and Sherritt Gordon mines, was active throughout the year producing blister copper and electrolytic zinc at the Flin Flon metallurgical plants. Prevailing low prices obliged the Sherritt Gordon mines to temporarily suspend operations. Considerable prospecting activity was in evidence in the northern parts of the province. Gold-bearing veins were also under development on the northwest shore of Beaver lake, Saskatchewan.

Much credit is due the efficiency of those Canadian producers of primary base metals who, confronted with the lowest base-metal prices in history, were able to continue operations during the period under review, more particularly does this apply to those companies treating ores relatively low in precious metal values. British Columbia producers of copper and silver-lead-zinc ores were, in some instances, by the lowering of costs through improved mining and metallurgical practices, permitted to

continue steady but curtailed production. Copper and sulphur bearing concentrates continued to be exported from the Britannia mine situated on Howe sound and the copper mines and Anyox smelter of the Granby Company were in continuous operation. The large Sullivan lead-zinc-silver mine and the metallurgical plants of the Consolidated Mining and Smelting Company at Trail were operated at a reduced rate in 1932. The Premier and Pioneer gold mines were important gold producers during the year and the Braylorne Mines Ltd., brought the old Lorne mine into production. Mining of placer gold was more or less general throughout the province, the yield being somewhat higher than in the previous year.

Mining operations in the Yukon were confined to the companies operating gold dredges, to the various small placer operators, and to the mining of silver-lead ores in the Mayo district by the Treadwell Yukon Company.

Exploration of the silver-radium bearing veins, occurring at or near Echo bay, Great Bear lake, Northwest Territories, was both active and extensive during 1932. Prospecting has enlarged the area of ore-bearing formations and the district has been proven to possess distinct economic possibilities. Shipments of high grade ore were made in 1932 and at Port Hope, Ontario, a plant was prepared for the recovery of their radium content.

The preliminary estimate figures for the entire twelve months of 1932 given in the table on p. 88 indicate a continuation of the industrial conditions during the latter part of the year almost similar to those revealed by the data compiled for the mineral production report for the first six months. There was, however, during the latter part of the year, and following the labours of the Imperial Economic Conference, a distinct undercurrent of optimism, an optimism that suggested an early materialization of benefits conferred on the mining and metallurgical industries by the development of broader channels to larger and better Empire and foreign markets. During the year metals lost 13 per cent in total value. In contrast to the general losses it is worthy to note that the estimated output of gold for 1932 from Canadian ores is 13.4 per cent greater than in 1931. This steady increase in the Dominion's gold production, combined with a general expansion in gold mining development, enriches not only the gold mining communities themselves but is beneficially felt by the farmer, the manufacturer and the nation as a whole. Non-metals, including fuels, declined 13 per cent; clay products and other structural materials on which no reports were collected for the half-year, owing to the recognized seasonal character of operations, revealed a loss of 48 per cent. The total mineral production value for 1932 is estimated to be 20 per cent lower than for the previous year.

Monthly records of employment are collected by this Bureau and issued in the form of index numbers based on the monthly average for the calendar year 1926 as 100. On this basis general mining during the period ended Dec. 1, 1932, stood at 99.3 as against 107.7 during the first twelve months of 1931 and 117.8 during the same months of 1930.

## CHAPTER VII

### THE WATER POWERS OF CANADA

Water power is one of Canada's greatest natural resources and, unlike other resources, is not depleted with use. On Jan. 1, 1933, there was a total installation of hydraulic turbines and water wheels of 7,045,260 h.p. compared with a total installation of 6,666,337 h.p. on Jan. 1, 1932. Fortunately, the greater part of both the potential and developed power is located in the central provinces of Quebec and Ontario which are largely industrial and without coal mines. The Jan. 1, 1932, figure of 6,666,337 h.p. was exceeded only by one other country, *viz.*, the United States with



A Battery of Generators at the Chats Falls Power Development on the Ottawa River.—The turbines, a runner of which is shown to the lower right, are mounted on the generator shafts below floor-level.

Repairing a Large Turbine Runner by Electric Arc.



*Courtesy Ontario Hydro-Electric Commission*



15,563,000 h.p. for 1931, but on a per capita basis Canada had an average of 0.67 h.p. as against 0.125 h.p. in the United States. Norway, with the same average installation per capita had a smaller total development than Canada.

The table below shows the hydraulic turbine installation as at Jan. 1, 1933, and also the estimated potential power by provinces. These estimates include only rivers where the flows and heads have been measured; they are based on continuous power available twenty-four hours each day at 80 p.c. efficiency, *i.e.*, 80 p.c. of the theoretical power. The two estimates shown are: first, power available throughout the year based on the minimum flow or flow during the dry periods; and second, the maximum available for six months. Because power is seldom required continuously 24 hours each day to the full capacity of the generating equipment, water can generally be stored during the hours of light demand and used during the hours of heavy demand. Consequently, whenever feasible, power plants are equipped with generating machinery having a capacity much greater than the theoretical continuous power of the waterfall.

**Available and Developed Water Power in Canada, by Provinces,  
January 1, 1933**

Province	Available 24-hour Power at 80 p.c. Efficiency		Turbine Installation
	At Ordinary Minimum Flow	At Ordinary Six Months' Flow	
	h.p.	h.p.	h.p.
Prince Edward Island.....	3,000	5,300	2,430
Nova Scotia.....	20,800	128,300	112,167
New Brunswick.....	68,600	169,100	133,681
Quebec.....	8,459,000	13,664,000	3,357,320
Ontario.....	5,330,000	6,940,000	2,208,105
Manitoba.....	3,300,000	5,344,500	396,925
Saskatchewan.....	542,000	1,082,000	42,035
Alberta.....	390,000	1,049,500	71,597
British Columbia.....	1,931,000	5,103,500	713,792
Yukon and Northwest Territories.....	294,000	731,000	13,199
Totals.....	20,347,400	33,617,200	7,045,260

It has been estimated that under ordinary conditions there is sufficient potential power in the rivers of Canada (including a half of the international waters) to drive hydraulic turbines totalling 43,700,000 h.p. Although the most favourably located sites have been developed, there are still great quantities of undeveloped power within feasible transmission distances from industrial centres. The very magnitude of some of these, as on the St. Lawrence river, has delayed their utilization, but after negotiations extending over nearly a year, the Governments of the United States and Canada, in August, 1932, consummated an agreement directed to the development of the St. Lawrence Seaway, apportioning costs as between the different authorities concerned, and defining a plan of construction to be followed out. (See p. 20.)

During the past year turbines with a total capacity of over 378,923 h.p. have been completed and put in operation. No new water-power

projects have been initiated in Canada in 1932, although several large developments, among which are the Beauharnois project on the St. Lawrence, the Rapide Blanc development on the St. Maurice river and the Canyon site on the lower Abitibi river (taken over in October, 1932, from the Abitibi Power and Paper Company by the Ontario Hydro-Electric Commission) are being proceeded with. On October 1, 1932, the first of these developments started operations with an initial installation of 200,000 h.p. The halt in the development of new projects is due to the decline in the demand for electrical energy since 1929. It is estimated that present capacity exceeds current requirements by about 25 p.c.

*Central Electric Stations.*—The use of electricity is so common in Canada that it is difficult to conceive of using any other means of lighting the homes, stores, factories and streets in urban municipalities and the service is being extended rapidly to rural areas. Electricity is also rapidly supplanting steam as a source of power in factories, quarries and mines, even coal mines. In 1931 there were 350 commercial organizations and 460 municipalities distributing electric energy to 1,335,825 domestic service customers, 243,241 commercial light customers and 48,430 power customers, and to 1,966 municipalities for street lighting. The total capital invested in the industry for all classes of plant was \$1,229,988,951 and ranked higher than that in any other Canadian manufacturing industry. The average was \$215 per h.p. of all primary equipment. Only 60 p.c. of this, however, was for generating equipment, dams, etc., the remainder being for transmission lines, distribution plant and offices. The net revenue for 1931 amounted to \$123,037,639 and averaged only 0.75 cent per k.w.h. produced. The consumer, of course, paid more than this, as he paid for all line and transformer losses, but rates are much lower in Canada than in most other countries. Whereas the average cost per k.w.h. for all domestic uses, i.e., lighting houses, cooking, etc., in the United States was 5.78 cents in 1931, in Canada the cost was less than half this and in Ottawa averaged less than 1 cent per k.w.h. for a monthly consumption of 300 k.w.h. and still less for higher consumptions. The average monthly output of the large central electric stations in Canada, 1926-1932, is shown below.

#### Average Monthly Output, Central Electric Stations in Canada, 1926-32

(Thousands of kilowatt hours)

Year	From Water	From Fuel	Total
1926 .....	991,041	16,746	1,007,787
1927 .....	1,193,481	18,944	1,212,425
1928 .....	1,340,292	21,192	1,361,376
1929 .....	1,441,203	27,622	1,468,825
1930 .....	1,463,330	25,230	1,488,560
1931 .....	1,339,907	26,071	1,365,978
1932 (9 months' average) .....	1,264,280	26,101	1,290,381

## CHAPTER VIII

### THE FISHERIES OF CANADA

*The Canadian Fishing Grounds.*—Canada's extensive fishing grounds border the Atlantic and the Pacific and also include an unrivalled inland fresh-water system of lakes and rivers. On the Atlantic, from Grand Manan to Labrador, the coast line, not including lesser bays and indentations, measures over 5,000 miles. The bay of Fundy, 8,000 square miles in extent, the gulf of St. Lawrence, fully ten times that size, and other ocean waters comprise not less than 200,000 square miles, or over four-fifths of the fishing area of the North Atlantic. In addition, there are 15,000 square miles of Atlantic inshore waters controlled entirely by the Dominion. Large as are these areas they represent only a part of the fishing grounds of Canada. The Pacific coast of the Dominion measures 7,180 miles in length and is exceptionally well sheltered, while throughout the interior is a series of lakes which together contain more than half of the fresh water on the planet, Canada's share of the Great Lakes alone amounting to over 34,000 square miles—a total which does not include lake Winnipeg (9,398 square miles), lake Manitoba and others of even greater area.



A Fish Cannery in British Columbia.

*Courtesy, Department of the Interior.*

Still more important than the extent of the Canadian fishing grounds is the quality of their product. Food fish improve in proportion to the purity and coldness of the waters in which they are taken and, by this standard, the Canadian cod, halibut, herring, mackerel, whitefish and salmon are the peers of any in the world. By far the most valuable fisheries of the western hemisphere, if not of the globe, belong to Canada.

*The Modern Industry.*—The present fishing industry of Canada is the growth of the past 60 years. In 1836 the production of fish in what are now the Maritime Provinces had an estimated value of \$1,500,000, while that of Lower Canada was about \$1,000,000. In 1870 total production was worth \$6,500,000 and was again more than doubled by 1878. In the '90's it passed \$20,000,000 and in 1912, \$34,000,000. In 1930 the value was \$48,000,000 and, in 1931, \$30,500,000. The above figures represent the total value of fish marketed, whether in a fresh, dried, canned or otherwise prepared state.

The following tables show the production of the industry by provinces for the years 1900, 1914 and 1931, and the production by principal kinds for the years 1930 and 1931.

### Growth of the Fisheries by Provinces, 1900, 1914 and 1931

Province	Value of Production			Per cent from each Province		
	1900	1914	1931	1900	1914	1931
	\$	\$	\$	p.c.	p.c.	p.c.
Prince Edward Island.....	1,059,193	1,261,666	1,078,901	4.9	4.1	3.5
Nova Scotia.....	7,809,152	7,730,191	7,986,711	36.2	24.7	26.2
New Brunswick.....	3,769,742	4,940,083	4,169,811	17.5	15.8	13.7
Quebec.....	1,989,279	1,924,430	1,952,894	9.2	6.2	6.4
Ontario.....	1,333,294	2,755,291	2,477,131	6.2	8.8	8.1
Manitoba.....	455,749	849,422	1,241,575	2.1	2.7	4.1
Saskatchewan.....	262,410	132,017	317,963	1.2	0.4	1.0
Alberta.....		86,720	153,897	0.4	0.3	0.5
British Columbia.....	4,878,820	11,515,086	11,108,873	22.7	36.8	36.4
Yukon.....	not known	69,725	29,550	—	0.2	0.1
Totals.....	21,557,639	31,264,631	30,517,306	100.0	100.0	100.0

### Fisheries Production by Principal Kinds, 1930 and 1931

(Each over \$1,000,000 in value and arranged by value in 1931)

Kind	1930		1931	
	Quantity Caught	Value Marketed	Quantity Caught	Value Marketed
		\$		\$
Salmon.....Cwt.	2,362,529	17,731,891	1,343,701	7,972,017
Lobsters....."	407,265	5,214,643	435,490	5,037,028
Cod....."	1,662,421	4,288,813	1,463,626	2,827,350
Herring....."	2,190,776	2,623,174	2,462,751	2,330,044
Halibut....."	282,605	2,871,455	210,926	1,780,044
Whitefish....."	169,747	1,818,941	156,215	1,425,311
Haddock....."	486,344	1,851,724	363,850	1,362,856

The fisheries also employ considerable capital and labour. In the primary operations of catching the fish the total capital represented by vessels, boats, nets, traps, weirs, wharves, etc., was about \$26,000,000 in 1931, of which \$21,000,000 was invested in the sea fisheries and over \$5,000,000 in the inland fisheries. Employees in these primary operations numbered 62,000. In the secondary operations of fish-canning and -curing, the establishments numbered nearly 700, the capital invested was about \$19,000,000 and the employees numbered 13,000 for 1931.



*Trade.*—Although the domestic consumption of fish in Canada is increasing, the trade still depends largely upon foreign markets. Perhaps 60 p.c. of the annual catch is an average export. In the calendar year 1931, total exports amounted to \$25,848,585, of which \$11,420,659 went to the United States and \$5,707,854 to the United Kingdom. The most important single export is canned salmon (to the United Kingdom and European markets), followed closely by cod, dry salted (to the West Indies, South America, etc.). For fresh fish, especially whitefish and lobsters, the United States is the chief market. In brief, Canada's export trade in fish falls below that of the United Kingdom and Norway alone. Canadian imports of fish in 1931 amounted to \$2,653,894, of which 33 p.c. came from the United States; 41 p.c. of the imports were canned fish, chiefly sardines.

Freshly Boiled Lobster  
ready for canning.



Lobster Fishing in New Brunswick.—Pulling the traps.

*Courtesy Canadian Government Motion Picture Bureau*

The expansion described above was featured by numerous changes in conditions. In early days the cod and haddock of the Atlantic were the most important items of the catch; to-day British Columbia, with her enormous salmon and halibut fisheries, takes the lead among the provinces (a leadership that in earlier times belonged to Nova Scotia), accounting for nearly half of the catch. The lobster fishery of Eastern Canada has also become vastly more important, until it is now the largest fishery of the kind in the world. But the greatest element of change has been contributed by improvements in the methods of catching and preparing the

fish, and especially by the development of the fish-canning industry. In 1870 there were but three lobster canneries on the Atlantic coast of Canada; in 1931 these canneries numbered over 300, employing nearly 6,000 people; 30,000,000 lobsters is a normal catch. The salmon canneries of the Pacific are all large ones and numbered 35 in 1931. The salmon pack of the province in that year amounted to 685,104 cases of 48 lb. each, an output much below normal, the small operations being due to the fact that there was a large carry-over from the preceding year, which, owing to the generally depressed economic conditions, had not been absorbed by the market.

**Materials Used and Values of Products of Fish-Canning and -Curing Establishments, 1929-1931**

Material and Product	1929	1930	1931
	\$	\$	\$
<b>Material used—</b>			
Fish.....	17,061,702	15,939,137	9,137,505
Salt.....	413,722	348,201	351,781
Containers.....	3,802,791	4,569,026	2,220,770
Other.....	218,644	225,125	210,778
<b>Totals.....</b>	<b>21,496,859</b>	<b>21,081,489</b>	<b>11,920,834</b>
<b>Products—</b>			
Fish marketed for consumption, fresh.....	9,057,253	7,639,557	5,168,401
Fish canned, cured or otherwise prepared.....	25,909,007	25,333,751	13,658,492
<b>Totals.....</b>	<b>34,966,260</b>	<b>32,973,308</b>	<b>18,826,893</b>

*Game Fish.*—The foregoing is a purely industrial and commercial survey. Fishing for sport, however, has its economic side in a country of such famous game fish as the salmon of the Restigouche, the black bass of the Quebec and Ontario highlands, the trout of the Nipigon and the salmon and rainbow trout of British Columbia. A considerable public revenue is derived from the leasing of waters in sparsely settled districts to clubs and individuals for sporting purposes. Several hundreds of guides find employment in this field during the summer months.

*The Government and the Fisheries.*—The Dominion Department of Fisheries (first established on a separate basis in 1930) controls the tidal waters of the Maritime Provinces and British Columbia, and the fisheries of the Magdalen islands in Quebec province. The non-tidal fisheries of the Maritime Provinces, Ontario and the Prairie Provinces, and both the tidal and non-tidal fisheries of Quebec (except the Magdalen islands) are controlled by the respective provinces, but the right of fisheries legislation for all provinces rests with the Dominion Government. A large staff of inspectors, officers and guardians is employed to enforce the fishery laws, and a fleet of vessels patrols the coastal and inland waters to prevent poaching and to assist in the carrying out of the regulations. The main object of legislation has been the prevention of depletion, the enforcement of close seasons, the forbidding of pollutions and obstructions, and the regulation of nets, gear, and of fishing operations generally. The Government has also taken steps from time to time in the field of direct assistance to the industry, including fish collection services on the Atlantic coast; the broadcasting by radio of reports of weather probabilities, bait and ice supplies, ice conditions along the coast, and prevailing local market prices; the payment of bounties (under the Washington Treaty); and instruction in improved methods of curing fish. In addition an ex-

tensive system of fish culture has been organized, the Dominion operating, in 1931, 23 main hatcheries, 9 subsidiary hatcheries, and 7 salmon retaining ponds, while stations for the conduct of biological research into the numerous complex problems furnished by the fisheries are established at Halifax, N.S., St. Andrews, N.B., and Nanaimo and Prince Rupert, B.C. The expenditure of the Dominion on the fisheries in the fiscal year ended 1932 was \$2,045,891.

Fishermen closing-in a  
Seine Net



Government Protection of the Fisheries.—A National Defence seaplane among fishing boats on the Fraser river.

*Courtesy Canadian Government Motion Picture Bureau*

The fisheries of Canada have more than held their relative place among the industries in recent years, and there is now a wider realization than ever before of the value of the fisheries resources in our national economy. The convention held in Ottawa in September, 1931, by the Canadian Fisheries Association showed the close organization of the different branches of the industry, the solid basis attained, and the Dominion-wide spirit displayed by the various interests representing the industry from coast to coast.

## CHAPTER IX

### THE FUR TRADE

*The Modern Industry.*—Although the rapid advance of settlement has greatly restricted the reservoir of fur-bearing animal life cradled in the vast expanses of northern Canada, yet, after nearly three and a half centuries of exploitation, Canada still holds a foremost place in the ranks of the world's fur-producing countries.

Raw furs are at present the only economic return from hundreds of thousands of square miles of the area of the Dominion and are a resource in which all the provinces and territories have a share.



A Corner of a Fox Farm,  
Charlottetown, P.E.I.—  
Inset: A prize pedigree  
fox. Note the ideal  
conditions of shade in  
the main picture. Pro-

tection from the hot sun of summer is necessary to successful fox ranching.

*Courtesy Department of the Interior.*

Commencing with the year 1881, records of the value of raw fur production were obtained in the decennial censuses, but from 1920 the Dominion Bureau of Statistics has issued annual reports, prepared from



statements furnished by the Provincial Game Departments, which are based on returns of licensed fur traders. In 1881 the value of pelts taken was \$987,555; by 1910 it had become \$1,927,550; the figures for the seasons ended June 30, 1921-31 are given below. The values given are the market values of the pelts taken by trappers and those sold from fur farms. The proportion of the latter has risen from about 3.5 p.c. of the total value for earlier years of the decade to 11 p.c. in 1927-28, 13 p.c. in 1928-29, 19 p.c. in 1929-30 and 26 p.c. in 1930-31, thus indicating the growing importance of fur farming (see p. 102).

#### Numbers and Values of Pelts Taken, Seasons 1920-21 to 1930-31

Season	Number of Pelts Taken	Total Value	Season	Number of Pelts Taken	Total Value
		\$			\$
1920-21.....	2,336,407	10,151,594	1925-26.....	3,686,148	15,072,244
1921-22.....	4,366,790	17,438,867	1926-27.....	4,289,233	18,864,126
1922-23.....	4,963,996	16,761,567	1927-28.....	3,601,153	18,758,177
1923-24.....	4,207,593	15,643,817	1928-29.....	5,150,328	18,745,473
1924-25.....	3,820,326	15,441,564	1929-30.....	3,798,444	12,158,376
			1930-31.....	4,060,356	11,681,221

Among the provinces and territories, Ontario now ranks first with nearly 19 p.c. of the total valuation, followed in order by Quebec, 18 p.c., the Northwest Territories, 17 p.c., Saskatchewan and Alberta, each with nearly 10 p.c.



Shipment of Furs at a Northern Hudson Bay Company Post destined for London, England.—There are 14,000 skins in the shipment, chiefly muskrat, bear and wolverine.

*Courtesy Department of the Interior.*

In order of value in 1930-31, silver fox with \$3,216,217, or 28 p.c. of the total, took first place, supplanting muskrat, which has been Canada's chief fur producer during the last decade, although beaver was supreme in earlier days. Muskrat pelts, valued at \$2,143,148 compared with \$1,781,637 last year, ranged second, white fox being third with a production valued at \$1,669,701. Mink, beaver, red fox, ermine (weasel), and marten were next in the order given.

If all fox pelts (silver, patch, white, blue and red) are grouped together, the combined value reached \$5,767,449, 49 p.c. of the total for all furs. The only furs which show increases in the numbers of pelts taken are fox (silver, white and blue), mink and otter. All furs were sold at lower average prices than for several years; silver fox, for example, dropped from \$80.95 per pelt in 1930 to \$44.78 in 1931, white fox from \$32.94 to \$23.23, mink from \$12.42 to \$9.32 and beaver from \$21.46 to \$14.77.

Canadian manufactures of fur goods, including the dressing and dyeing of raw furs, have shown a rapid growth in recent years, the gross production having increased from about 5 million dollars in 1920 to \$17,359,592 in 1930, the latest year for which statistics of manufactures are available. In the latter year there were 226 establishments employed in the industry and wages and salaries paid out amounted to \$4,272,725. The cost of raw materials, largely raw furs, amounted to \$9,753,282 and thus the net value of \$7,606,310 was added in the process of manufacture.

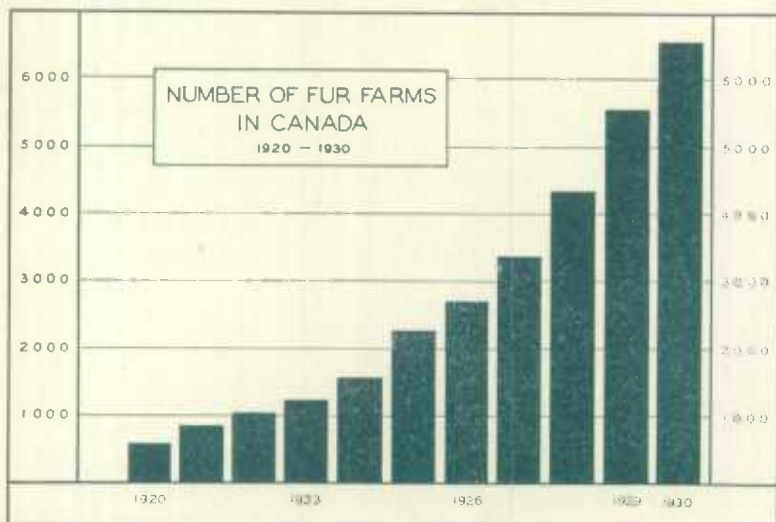
Accompanying the growth of manufactures has been a stimulation of the import trade in raw furs, including the pelts of many animals not taken in Canada, but also including Canadian varieties which have found their way to the main world markets through the auction sales. For the 12 months ended June 30, 1924, imports of raw furs were \$7,505,328, and by 1929 they had risen to \$13,289,043. The imports for the 12 months ended June, 1930 (\$7,518,885) and June, 1931 (\$5,455,483) reflected the conditions existing after Oct., 1929, to an abnormal degree—not entirely an unexpected circumstance in the case of a commodity so characteristically in the luxury class.

*Export Trade.*—Prior to the War, London and Leipzig held the positions of outstanding fur markets of the world, but during 1914-18 St. Louis captured the supremacy for the United States, although since the War London has regained her former prestige. A result of the changed situation thus brought about has been that Montreal, Winnipeg and, to a lesser extent, Edmonton have become important fur marts for buyers from the larger world centres. Montreal held the first fur auction sale to take place in Canada in 1920. Auctions are now held quarterly at Montreal, and regular sales are also held at Winnipeg and Edmonton.

A century ago the value of furs exported exceeded that of any other Canadian product; the total output is not seriously declining, but exports for the year 1931 were only about 1.9 p.c. of our total exports of Canadian merchandise, owing to the rapid growth of other branches of our external trade. The trend of export valuations over the past ten years was definitely upward until 1929, although the trend of prices generally was downward. Since 1929 exports have fallen from a value of \$24,565,000 to \$15,094,000 in 1931 without materially changing the percentage to total exports. Of the total export valuation of furs in 1931, 54 p.c. went to the United Kingdom and 37 p.c. to the United States.

*Fur Farming.*—In the early days of the fur trade it was the practice for trappers to keep foxes caught in warm weather alive until the fur was prime; from this has arisen the modern industry of fur farming. The industry is devoted chiefly to the raising of the silver fox, a colour phase of the common red fox established through experience in breeding. But although the fox is of chief importance, other kinds of fur-bearers are being successfully raised in captivity among which are mink, racoon, skunk, marten, fisher, coyote and badger. Again, within the past few years ex-

tensive areas of marsh land have been profitably utilized for the raising of muskrats, and this branch of the industry is expanding rapidly. The number of fur farms in Canada in 1930 was 6,524, compared with 5,513 in 1929 and 4,326 in 1928. During the five-year period 1926-30 the number increased by 137 p.c. Fox, mink and raccoon farms are the chief kinds numbering 5,070, 793 and 301 respectively.



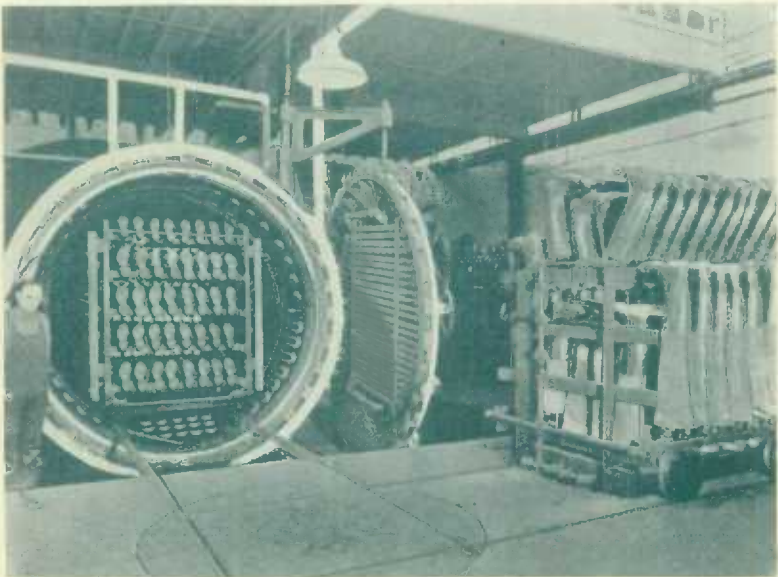
The total number of fur-bearing animals born on fur farms in 1930, exclusive of muskrat and beaver, was 138,808, compared with 98,126 in 1929, and the number which died from various causes was 24,040, compared with 18,922 the previous year. For muskrat and beaver no exact data can be supplied, but estimates made by the operators of the farms give 93,857 of the former and 199 of the latter born in 1930 compared with 327,510 and 121 in 1929. The numbers killed for pelts were 99,279 in 1930 and 49,992 in 1929, and the numbers of pelts sold were 77,657 valued at \$3,096,270 in 1930 and 38,311 valued at \$2,304,910 in 1929. The total number of all kinds of animals sold from farms in 1930 was 24,500 valued at \$1,828,545 and for 1929, 35,422 valued at \$4,474,753. Silver fox in 1930 contributed 77 p.c. of this total and the highest price received during the year for a silver fox was \$800 compared with \$1,500 in the previous year.

In spite of the rapid growth of the industry there are no signs that fur farming is overdone. Canada is regarded abroad as the best source of silver foxes for breeding and large numbers have been exported at good prices to the United States and Europe. The quality of the pelt does not appear to have suffered in captivity and there are many breeders who maintain that finer skins are derivable from farms than were ever secured from the wild spaces.

## CHAPTER X

### THE MANUFACTURES OF CANADA

The present century has witnessed the chief forward movement in Canadian manufactures, mainly as the result of two great influences: firstly, the "boom" accompanying the opening up of the West, which greatly increased the demand for manufactured goods of all kinds and especially construction materials; and secondly, the War, which not only created enormous new demands but left a permanent imprint upon the variety and efficiency of Canadian plants. In 1910, when the first of these influences was but partly felt, the gross value of Canadian manufacturing production had risen to \$1,166,000,000, the capital invested to \$1,248,000,000, and the number of employees to 515,000; but by 1920, the gross value of Canadian manufactured products was no less than \$3,772,000,000, the capital invested \$3,372,000,000, and the number of employees 609,586. Hundreds of millions of capital had been attracted from outside (see p. 50) in achieving this striking result. After 1920 the figures declined, but subsequent gains brought them back for 1929 to even higher levels than 1920, as the accompanying table shows. The 1930 figures, as expected, indicated a reduced gross production of 14.9 p.c. although the net production, due to the proportionately greater reduction in the cost of materials, was only 11.8 p.c.



The Canadian Rubber Goods Industry.—Processing rubber footwear.

*Courtesy Canadian Government Motion Picture Bureau*



## Historical Summary of Statistics of Manufactures, 1870-1930

Year	Estab- lish- ments	Capital	Em- ployees	Salaries and Wages	Cost of Materials	Net Value of Products <sup>1</sup>	Gross Value of Products
	No.	\$	No.	\$	\$	\$	\$
1870 <sup>1</sup> .....	41,259	77,964,020	187,942	40,861,009	124,007,846	96,709,927	221,617,773
1880 <sup>1</sup> .....	49,722	165,302,623	254,035	59,429,002	179,918,593	129,757,475	309,676,068
1890 <sup>1</sup> .....	75,964	253,213,000	360,595	100,415,350	250,759,292	219,088,594	469,847,886
1900 <sup>1</sup> .....	14,650	446,916,487	339,173	113,249,350	266,527,858	214,525,517	481,053,375
1910 <sup>1</sup> .....	19,218	1,247,583,609	515,203	241,008,416	601,509,018	564,466,021	1,165,975,639
1920 <sup>2</sup> .....	23,351	3,371,940,653	609,586	732,120,585	2,085,271,649	1,686,978,408	3,772,350,087
1929 <sup>2</sup> .....	23,597	5,083,014,764	694,434	813,049,842	2,032,020,975	1,997,350,365	4,029,371,340
1930 <sup>2</sup> .....	24,020	5,203,316,760	644,439	736,092,766	1,666,983,902	1,761,986,726	3,428,970,628

<sup>1</sup> Includes all establishments employing five hands or over.<sup>2</sup> Includes all establishments irrespective of the number of employees but excludes Construction, Custom and Repair Work.<sup>3</sup> Gross value less cost of materials.

According to the latest census available, Canada possessed, in 1930, 24,020 manufacturing establishments with capital investment in lands, buildings, equipment, etc., amounting to \$5,203,316,760, employing 644,439 persons with salaries and wages amounting to \$736,092,766. They consumed \$1,666,983,902 worth of raw materials (not including fuel) and produced goods to the value of \$3,428,970,628. Owing to the prevailing conditions, it is estimated that the value of production in 1931 will be about 20 p.c. lower than in the previous year.

## Census of Manufactures, 1930

Province or Group	Estab- lish- ments	Capital	Em- ployees	Salaries and Wages	Cost of Materials	Net Value of Products <sup>1</sup>	Gross Value of Products
Province	No.	\$	No.	\$	\$	\$	\$
P.E.I.....	267	3,441,958	2,055	788,106	2,546,827	1,708,139	4,254,966
N.S.....	1,302	133,671,163	21,069	17,537,690	44,506,178	41,296,743	85,802,921
N.B.....	924	140,611,530	18,422	14,988,441	33,897,264	29,570,998	63,468,262
Quebec.....	7,410	1,727,064,388	204,802	216,835,675	462,244,278	560,036,409	1,022,280,687
Ontario.....	9,888	2,431,369,848	307,477	370,781,452	836,666,780	876,358,542	1,713,025,322
Manitoba.....	937	188,413,164	26,488	33,941,235	74,761,265	67,663,725	142,424,990
Sask.....	750	65,486,140	7,248	9,229,593	35,608,157	26,668,609	62,276,766
Alberta.....	845	109,930,271	14,099	17,092,033	53,621,884	40,692,898	94,314,782
B.C. and Yukon.....	1,697	403,328,298	42,779	54,898,541	123,131,269	117,990,663	241,121,932
Canada.....	24,020	5,203,316,760	644,439	736,092,766	1,666,983,902	1,761,986,726	3,428,970,628
Industrial Group							
Vegetable.....	5,041	569,403,769	84,182	85,259,243	357,510,340	314,513,326	672,023,666
Animal.....	4,311	233,334,972	57,667	55,564,398	285,328,411	132,212,467	417,540,878
Textiles.....	1,886	368,567,643	109,576	97,903,096	184,563,865	177,250,868	361,814,733
Wood and paper Iron, etc.....	7,816	1,221,357,252	156,724	174,406,889	268,249,293	368,350,618	636,599,911
Non-ferrous metals.....	1,196	757,797,256	119,987	165,429,608	281,713,862	288,032,111	569,745,782
Non-metallics.....	429	325,605,549	38,756	52,319,027	111,738,411	138,720,310	250,458,721
Chemicals.....	1,234	336,018,922	29,868	39,241,165	107,206,674	109,606,153	216,812,827
Miscellaneous.....	591	168,119,152	15,503	21,041,789	48,165,038	71,864,599	119,069,637
Central electric stations.....	452	84,912,229	14,328	17,640,108	22,508,008	35,458,129	57,960,137
	1,034	1,138,200,016	17,858	27,287,443	-	126,038,145	126,038,145

<sup>1</sup> Gross value less cost of materials.

The great development in Canadian manufactures since the War has been stimulated by the fact that foreign firms have realized the splendid field which Canada furnishes for the establishment of branch factories and have invested large amounts of capital in varied enterprises which have provided employment for Canadian labour. There is every reason to think that this movement will be further encouraged as a result of the Imperial Economic Conference of 1932, see p. 44.

The classification of industries followed in the latter part of the table on page 105 indicates the important position of the Iron and Its Products group in Canadian industry. Space permits of the treatment of but one group and this is selected for treatment this year.

Thirty-five-inch blooming-mill rolling-tram working steel ingots down to bloom, Sydney, N.S.



Open hearth furnaces in a plant at Hamilton, Ont.

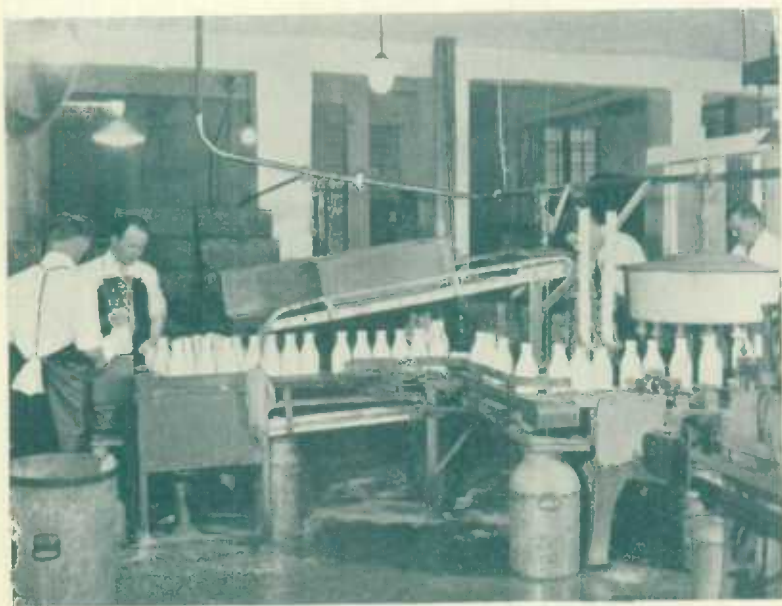
#### Canadian Iron and Steel Industry.

The manufacture of iron and steel and their products is one of Canada's basic industries. Iron ore is not now produced in Canada as the known deposits, though extensive, are not of sufficiently high grade to permit economic recovery under present conditions. Yet there has been built up a primary steel industry of considerable importance and the secondary or fabricating industries have been expanding steadily to meet the country's increasing requirements.

There are now 4 concerns which make pig iron in Canada, one being in Nova Scotia and 3 in Ontario. The former uses Nova Scotia coal and iron ore from the great Wabana deposits which it controls on Bell Island, Newfoundland, while the Ontario works are dependent on foreign ore and coal which are brought from the United States. These companies have blast furnaces with a rated capacity of 1.5 million tons of pig iron per annum but the highest tonnage yet attained was 1,080,160 long tons in 1929.

Open hearth steel furnaces and rolling-mills are also operated by these companies which produce steel ingots, blooms and billets, bars, rods, rails, structural shapes, plates, sheets, rail fastenings, etc. Including electric steel furnaces, there were 27 steel plants in operation in 1930 which with the 16 rolling mills, 4 pig iron plants and 2 ferro-alloy plants represented a capital of \$112,000,000 and employed 9,723 hands to produce primary products worth \$52,588,935.

Among the secondary industries, the production and maintenance of railway cars, locomotives and parts is of first importance. In 1930, there were 37 plants for this purpose and 25,952 workers were employed. The value of products was \$104,922,701, which was \$22,000,000 lower than in 1929.



Filling and Sealing Milk Bottles at a City Dairy Plant.

*Courtesy Canadian Government Motion Picture Bureau*

Automobile manufacturing is one of Canada's largest industries with a total payroll of \$19,473,782, products valued at \$101,677,487 and a capital investment of \$90,671,678. These figures are for 1930 which was a poor year and are hardly indicative of the real importance of this industry. In 1929, for instance, 16,435 people were employed in the 17 plants then in operation and cars and parts worth \$177,315,593 were produced for the home and export markets. Recently a number of new auto and truck factories have been established in Canada and there are now 21 factories in operation with a yearly capacity of about 400,000 vehicles.

The export trade in automobiles and parts reached its peak in 1929 when cars and parts worth \$47,005,671 were shipped to other countries. In 1930 this market declined to \$20,286,354.

There are also numerous works for the manufacture of machinery, agricultural implements, sheet metal products, foundry products and similar articles of iron and steel and the variety of products made in these establishments is increasing yearly.

*Leading Individual Industries, 1930.*—Compared with 1929, there has been very little change in the order of the ten leading industries when arranged according to gross production although there has been an appreciable decrease in the value of production in nearly every case. In 1930 pulp and paper was again in the lead, followed by slaughtering and meat packing, and flour and grist-mill products as in 1929 but central electric stations, which in the earlier year ranked fifth, was in fourth place in 1930. The automobile industry fell from fourth place in 1929 to ninth place in 1930 with a reduction of nearly 43 p.c. in the value of gross production. The electrical apparatus and supplies industry improved its position slightly.

### Principal Statistics of Twenty-five Leading Industries, 1930

Industry	Estab- lish- ments	Capital	Em- ployees	Salaries and Wages	Cost of Materials	Gross Value of Products <sup>1</sup>
	No.	\$	No.	\$	\$	\$
Pulp and paper.....	109	714,437,104	33,207	45,774,976	81,992,255	215,674,246
Slaughtering and meat- packing.....	76	60,778,996	9,290	12,114,667	129,004,327	164,029,953
Flour and grist-mill pro- ducts.....	1,277	62,617,007	5,923	6,679,113	119,677,686	144,855,946
Central electric stations.....	1,034	1,138,200,016	17,858	27,287,443		120,038,145
Sawmills.....	3,531	181,116,933	43,457	28,512,901	72,956,762	121,142,985
Butter and cheese.....	2,698	50,502,406	11,980	13,071,916	80,559,841	113,018,789
Railway rolling stock.....	37	95,785,640	25,952	37,625,050	60,289,445	104,922,701
Electrical apparatus and sur- plies.....	149	102,979,896	20,568	26,260,004	43,111,629	104,577,790
Automobiles.....	16	90,671,678	12,541	19,473,782	66,924,019	101,677,487
Non-ferrous metal smelting and refining.....	14	175,010,686	8,626	13,796,124	45,310,472	100,946,136
Petroleum products.....	28	70,334,381	5,134	8,190,130	71,800,429	91,787,205
Tobacco, cigars and cig- arettes.....	103	51,376,116	8,905	7,837,711	24,286,734	85,671,786
Castings and forgings.....	340	100,318,189	20,499	25,871,261	28,262,602	74,233,671
Rubber goods, including footwear.....	47	69,164,512	15,163	15,895,479	28,821,759	73,752,673
Bread and other bakery products.....	2,697	51,914,170	17,736	19,444,533	36,582,843	73,594,894
Printing and publishing.....	776	66,860,624	17,063	26,937,032	15,993,916	72,013,171
Clothing, women's factory.....	455	23,432,441	16,782	16,483,011	35,759,351	61,815,948
Biscuits, confectionery, cho- colate, etc.....	280	54,406,093	12,291	11,104,668	25,044,901	58,059,602
Breweries.....	73	67,637,142	4,642	6,756,634	16,534,273	57,521,089
Hosiery, knitted goods and fabric gloves.....	167	65,047,351	18,570	15,037,147	25,509,913	54,117,924
Machinery.....	174	69,454,103	11,044	15,089,887	18,326,621	53,749,482
Primary iron and steel.....	49	112,079,926	9,723	14,934,325	22,765,648	52,588,935
Cotton yarn and cloth.....	33	78,542,804	16,999	13,004,793	27,075,574	48,092,878
Sheet metal products.....	155	53,368,130	8,728	10,452,887	25,080,342	47,067,479
Sugar refineries.....	8	43,855,155	2,281	3,560,260	30,610,701	42,935,722
Totals, Twenty-five Lead- ing Industries.....	14,326	3,640,891,498	374,962	441,215,754	1,133,192,043	2,214,486,637
Grand Totals, All Indus- tries.....	24,020	5,203,316,760	644,430	736,092,766	1,666,083,902	3,428,970,628
Percentages of Twenty-five Leading Industries to All Industries.....	59.64	70.10	58.18	59.94	67.98	64.58

<sup>1</sup> Net value of production can be obtained by deducting cost of materials from these figures



On the basis of net value, or value added by manufacture, the order of importance of the industries in 1930 was very different from that based on gross values. The pulp and paper industry was foremost in this respect also, but it was followed by central electric stations; electrical apparatus; tobacco, cigars and cigarettes; printing and publishing; and non-ferrous metal smelting, in the order given. In salaries and wages paid the pulp and paper industry is followed by: railway rolling stock, sawmills, central electric stations, printing and publishing, and electrical apparatus, in the order named.

The leading centres of manufactures to-day are Montreal and Toronto, with totals of \$532,000,000 and \$522,000,000, respectively. After these come Hamilton with \$167,000,000, Winnipeg with \$94,000,000, and Vancouver with \$91,000,000. There are 10 other places having manufactures of \$30,000,000 or over.

Leading Manufacturing Cities of Canada, 1930

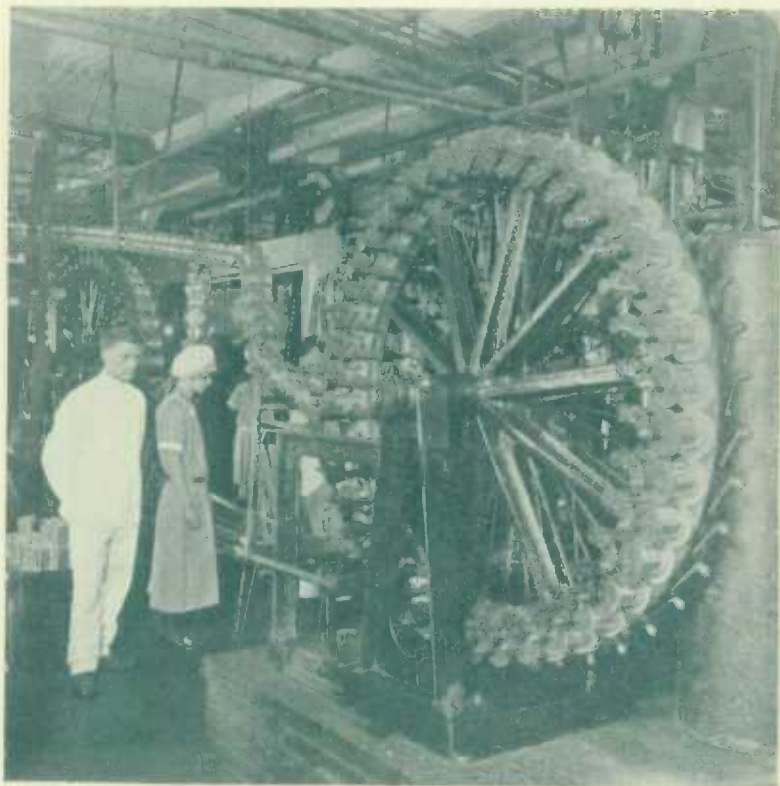
City or Town	Estab- lish- ments	Capital	Em- ployees	Salaries and Wages	Cost of Materials	Gross Value of Products
	No.	\$	No.	\$	\$	\$
Montreal.....	1,825	485,332,181	98,905	115,753,191	250,718,415	532,404,756
Toronto.....	2,320	524,161,983	94,745	121,221,281	253,974,080	521,540,080
Hamilton.....	439	214,227,256	31,053	39,661,672	75,785,992	166,910,535
Winnipeg.....	519	123,781,546	19,749	25,844,516	45,720,081	94,407,201
Vancouver.....	681	128,684,902	16,068	20,874,524	45,730,258	90,975,000
London.....	228	46,838,810	9,366	11,014,370	17,786,502	45,407,024
East Windsor.....	14	41,428,765	6,004	9,778,401	25,652,090	44,123,658
Kitchener.....	135	38,911,220	8,374	8,928,433	18,739,948	41,893,483
Oshawa.....	43	32,505,290	5,381	4,522,593	25,474,132	41,382,402
Walkerville.....	62	38,022,931	4,694	6,946,923	22,951,007	39,586,056
Calgary.....	153	35,701,054	5,287	7,029,185	22,970,988	39,230,983
Quebec.....	243	68,153,767	9,824	9,349,274	15,470,992	38,314,617
Three Rivers.....	59	80,842,254	5,896	6,296,342	17,142,507	37,972,620
Ottawa.....	208	57,295,811	8,255	10,249,938	14,257,043	33,104,404
Peterborough.....	88	26,310,208	5,310	5,545,738	17,056,759	32,021,081
Brantford.....	105	63,571,322	6,775	7,440,750	13,941,043	29,049,118
Sarnia.....	42	20,128,121	3,202	4,616,360	20,427,450	27,936,512
Edmonton.....	153	24,760,067	4,606	5,637,286	15,584,973	27,660,417
Niagara Falls.....	62	45,745,986	2,852	4,098,130	8,005,870	27,152,123
Regina.....	84	35,486,916	2,758	4,039,789	14,729,011	25,961,543
Shawinigan Falls.....	23	178,967,616	3,573	4,745,684	4,531,949	24,510,936

*Trade in Manufactures.*—Canada is the second most important manufacturing country in the British Empire. The capacity of Canadian industries and the variety of products marketed are such that many classes of goods, formerly imported, are now being manufactured in the Dominion in sufficient volume not only to meet the requirements of the home market but also for export. To-day Canada sends manufactured goods to almost every country in the world. For the fiscal year ended Mar. 31, 1931, these exports reached \$495,000,000 in value, whereas in 1900 they were below the \$100,000,000 mark and fourteen years later were but \$159,000,000.

Among the industrial groups, the vegetable products group occupies an important position in trade. Wheat flour, rubber tires, canvas shoes with rubber soles, prepared cereal foods, sugar and alcoholic beverages are some of the more important articles which enter into the export trade of Canada.

The important place which the wood and paper group of industries occupy in trade is dealt with on p. 84.

The animal products group is also of great importance, although the branches of this group manufacturing food products have shown declined production during the years since 1926 and the group as a whole has not kept pace with other groups in the volume of production. This has been more especially true of the slaughtering and meat-packing, butter and cheese, and fish-curing and packing industries. On the other hand, the industries where the manufacturing process plays a greater part, such as those making wearing apparel and boots and shoes, have recorded substantial increases since 1926, although along with all industries they have, generally speaking, felt the effects of the present depression.



The Ontario Canning Industry.—The testing machine shown above tests each can under a pressure of 35 lbs. per sq. inch and automatically rejects those found defective.

*Courtesy Canadian Government Motion Picture Bureau.*

The export of socks and stockings has been steadily increasing in both volume and value, and reached a new high level in 1930, when 84,833 dozen pairs, valued at \$907,761 were exported. New Zealand and British

South Africa were our best customers, importing 58,235 dozen pairs valued at \$650,575, and 9,488 dozen pairs valued at \$105,420, respectively. Of the total exports 81,258 dozen pairs valued at \$873,839 were absorbed by various parts of the British Empire.

*Conditions during 1931 and 1932.*—Perhaps the best all-round barometer of conditions is afforded by the indexes of employment maintained from month to month in the Dominion Bureau of Statistics, and based on returns received from establishments having 15 hands and over. These industries normally employ about 600,000 work-people. While the indexes were lower for each month of 1930 than in 1929, it will be noticed from the following table that for the first six months of 1930 they were above those for corresponding months of 1928. The effects of the depression are clearly evident from the 1931 and 1932 figures, the employment afforded in both those years being on a much smaller scale than in any of the immediately preceding years.

### Indexes of Employment in Manufactures

(1926 = 100)

Month	1928	1929	1930	1931	1932	Month	1928	1929	1930	1931	1932
Jan. 1.....	97.9	107.8	106.5	93.7	83.9	July 1.....	113.1	120.3	111.3	97.2	85.4
Feb. 1.....	102.3	112.8	110.2	96.1	85.9	Aug. 1.....	115.2	121.6	110.2	94.7	82.6
Mar. 1.....	104.7	115.7	110.9	97.6	87.0	Sept. 1.....	115.9	119.8	108.2	94.7	83.1
April 1.....	106.6	116.6	111.3	99.7	87.3	Oct. 1.....	115.7	120.2	107.8	91.8	84.1
May 1.....	109.0	119.8	112.4	100.7	85.8	Nov. 1.....	115.1	117.2	104.6	88.8	81.7
June 1.....	112.6	121.2	113.6	99.4	86.0	Dec. 1.....	112.9	112.8	100.6	89.6	-

Practically all the industries classified in the manufacturing group were affected by the general inactivity of business; in the important lumber, and iron and steel divisions, the losses were especially severe, while employment in food, textile, tobacco and beverage, electric current and electrical apparatus factories was maintained at a level generally above the average for the manufacturing group.



A Canadian Agricultural Implement Factory.

*Courtesy of Royal Bank*

## CHAPTER XI

### CONSTRUCTION

The construction industry, as here understood, embraces construction in transportation and public utilities as well as the more widespread municipal and private building operations with their almost complete dependence on local demand and with their progress more sensitive to the state of the money market and the cyclical fluctuations of general business conditions.

*Transportation and Public Utilities.*—Railway expenditures for maintenance of way and structures are steadily growing items of operating expenses and now reach about 65 million dollars per year for steam railways and 3 million dollars per year for electric railways. Capital investments in new lines were \$22,000,000, and in additions and betterments, \$43,000,000 (including \$19,000,000 for equipment) for steam railways in 1931, making a total of \$65,000,000 as compared with \$102,000,000 in 1930. For electric railways the expenditures on road and equipment during 1931 amounted to \$3,118,016.

The good roads program of the Dominion and Provincial Governments undertaken largely since the war, has been another large item of expenditure. The increased use of motor vehicles for passenger and freight movement has been the primary cause of the greatly increased expenditures in recent years. During 1931 the expenditures on provincial



Road Repairing.—The extremes of the Canadian climate, as well as heavy traffic, increase greatly upkeep expenditures. Repair gangs are a common sight in spring and early summer.

*Courtesy Canadian Government Motion Picture Bureau.*



highways and on local roads receiving subsidies from Provincial Governments amounted to \$66,000,000 for construction and \$22,000,000 for maintenance or a total of \$88,000,000 compared with a total of \$93,000,000 in 1930. (See p. 121.)

*Building Operations.*—The foregoing transportation and public utility expenditures have an appreciable stabilizing effect on the industry as a whole, and still more have road work and other Government programs which tend to increase as other construction work decreases. However the greater part of the expenditures on construction are for building operations proper, i.e., for houses, factories, business premises, etc. In view of the widespread nature of the undertakings, comprehensive figures are not easy to obtain, but the totals of construction contracts awarded, as compiled by MacLean Building Reports, Ltd., for the latest five complete years, are as follows: 1927, \$418,951,600; 1928, \$472,032,600; 1929, \$576,651,800; 1930, \$456,999,600; and 1931, \$315,482,000. The table given below shows the values of such contracts for the eleven months of 1932 to Nov. 30, by types of construction, as compared with the same months of 1931.

### Construction Contracts Awarded in Canada, eleven months, 1931 and 1932

(MacLean Building Reports, Ltd.)

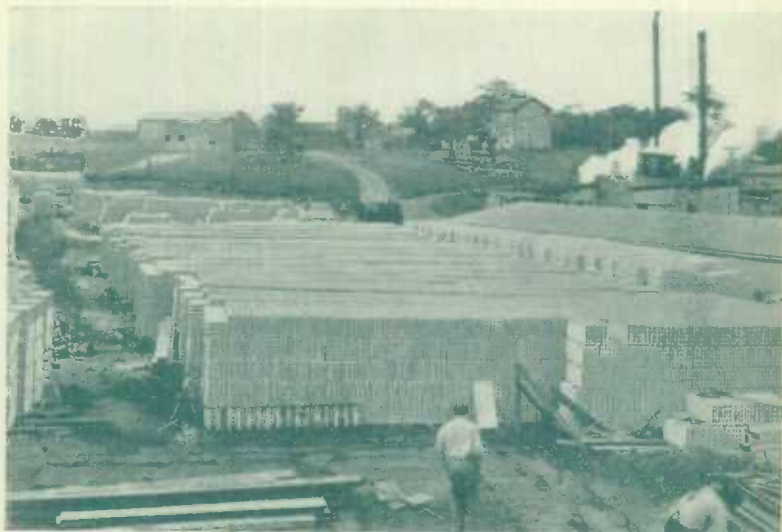
Type of Construction	1931		1932	
	No.	Value	No.	Value
		\$		\$
Apartments.....	264	15,771,300	108	1,507,500
Residences.....	16,339	62,204,100	8,339	26,192,700
<i>Totals, Residential.....</i>	<i>16,603</i>	<i>77,975,400</i>	<i>8,447</i>	<i>27,700,200</i>
Churches.....	220	7,681,300	150	2,726,800
Public Garages.....	412	3,261,900	371	2,863,800
Hospitals.....	78	11,547,400	63	3,079,400
Hotels and Clubs.....	123	2,808,200	126	1,388,600
Office Buildings.....	143	3,163,700	119	3,190,600
Public Buildings.....	512	16,428,600	314	8,023,300
Schools.....	357	17,249,700	193	6,735,900
Stores.....	937	8,791,400	881	4,644,900
Theatres.....	43	1,296,900	36	643,100
Warehouses.....	228	6,317,200	213	4,448,500
<i>Totals, Business.....</i>	<i>3,058</i>	<i>78,546,800</i>	<i>2,486</i>	<i>38,644,900</i>
<i>Totals, Industrial.....</i>	<i>359</i>	<i>14,233,600</i>	<i>344</i>	<i>7,710,900</i>
Bridges.....	506	15,658,800	232	7,329,600
Dams and Wharves.....	154	3,757,800	117	2,176,600
Sewers and Watermains.....	1,093	24,190,400	547	10,516,200
Roads and Streets.....	2,191	40,079,400	1,246	19,419,200
General Engineering.....	429	49,783,000	438	15,184,700
<i>Totals, Engineering.....</i>	<i>4,373</i>	<i>133,469,400</i>	<i>2,600</i>	<i>54,626,300</i>
<i>Grand Totals.....</i>	<i>24,368</i>	<i>304,224,700</i>	<i>13,837</i>	<i>128,682,300</i>

The Dominion Bureau of Statistics compiles an estimate of the value of construction in 61 cities of Canada as indicated by their building permits. In 1931 the value of buildings thus authorized was \$112,222,845 as compared with \$166,379,325 in 1930. For the first eleven months of 1932, the unrevised total is \$37,922,575. The following table shows the value of the building authorized during this period in 1931 and 1932 by the 61 cities whose returns are tabulated monthly.

## Building Permits, by Cities, eleven months, 1931 and 1932

City	1931	1932 <sup>2</sup>	City	1931	1932 <sup>2</sup>
	\$	\$		\$	\$
Charlottetown, P.E.I.	1		Sarnia, Ont.	157,296	61,518
Halifax, N.S.	3,279,855	884,994	Sault Ste. Marie, Ont.	426,322	140,249
New Glasgow, N.S.	100,315	35,195	Toronto, Ont.	16,877,691	6,114,198
Sydney, N.S.	100,830	140,344	York and East York Townships, Ont.	5,777,352	1,588,983
Fredericton, N.B.	140,295	18,500	Welland, Ont.	203,576	65,925
Moncton, N.B.	385,490	155,630	Windsor, Ont.	389,262	846,102
Saint John, N.B.	1,250,362	423,056	East Windsor, Ont.	18,580	43,949
Montreal-Maison-neuve, Que.	28,897,786	10,345,833	Riverside, Ont.	29,165	2,525
Quebec.	3,966,680	1,167,430	Sundwih, Ont.	21,130	12,050
Shawinigan Falls, Que.	28,710	24,910	Walkerville, Ont.	600,000	18,000
Sherbrooke, Que.	707,550	227,100	Woodstock, Ont.	134,912	84,720
Three Rivers, Que.	233,030	107,575	Brandon, Man.	60,741	31,274
Westmount, Que.	703,063	254,970	St. Boniface, Man.	107,120	118,845
Belleville, Ont.	221,501	98,055	Winnipeg, Man.	4,320,100	2,116,400
Brantford, Ont.	450,126	168,680	Moose Jaw, Sask.	87,480	357,105
Chatham, Ont.	144,915	53,415	Regina, Sask.	1,572,712	276,439
Fort William, Ont.	440,800	293,950	Saskatoon, Sask.	2,866,415	528,255
Galt, Ont.	212,160	88,363	Calgary, Alta.	1,886,339	904,800
Guelph, Ont.	209,778	161,445	Edmonton, Alta.	1,372,285	1,087,085
Hamilton, Ont.	4,468,600	1,412,700	Lethbridge, Alta.	1,290,338	190,693
Kingston, Ont.	528,922	340,759	Medicine Hat, Alta.	55,195	40,655
Kitchener, Ont.	605,459	355,488	Kamloops, B.C.	131,622	48,815
London, Ont.	1,896,675	545,695	Nanaimo, B.C.	21,225	50,083
Niagara Falls, Ont.	142,497	167,906	New Westminster, B.C.	509,071	135,062
Oshawa, Ont.	145,475	40,939	Prince Rupert, B.C.	255,258	52,500
Ottawa, Ont.	3,057,190	1,495,490	Vancouver, B.C.	9,850,520	2,800,546
Owen Sound, Ont.	77,475	22,415	North Vancouver, B.C.	90,975	76,595
Peterborough, Ont.	278,326	192,364	Victoria, B.C.	603,242	307,447
Port Arthur, Ont.	339,005	279,503			
Stratford, Ont.	156,790	48,533			
St. Catharines, Ont.	541,099	219,466			
St. Thomas, Ont.	106,640	44,955			
			Totals—61 cities	103,573,426	37,922,575

<sup>1</sup> No building permits reported. <sup>2</sup> Unrevised figures.



Gypsum Tile ready for Shipping.—Modern types of insulated construction have created a wide demand for this and similar products.

*Courtesy, Department of the Interior.*

These 61 cities had, in 1931, about 36 p.c. of the population of Canada, while in this, the latest complete year, their building permits also had a value equal to about 36 p.c. of the total contracts awarded according to MacLean Building Reports, Ltd. Official summary figures since 1920 of building permits and of the closely related subjects of prices of building materials, of employment and wages in the building industry, are given below:—

### Building Permits, 1920-1932

Year	Value of Building Permits Issued	Index Numbers of Value of Permits Issued (1926=100)	Average Index Numbers of Wholesale Prices of Building Materials (1926=100)	Index Numbers of Wages in the Building Trades (1913=100)	Index Numbers of Employment as Reported by Employers in the Construction Industries (average, calendar year 1926=100)
	\$				
1920.....	117,019,622	74.8	132.4	180.9	—
1921.....	116,794,414	74.7	122.7	170.5	71.1
1922.....	148,215,407	94.8	108.6	162.5	76.7
1923.....	133,521,621	85.4	111.7	166.4	80.9
1924.....	126,583,148	80.9	106.7	169.1	80.3
1925.....	125,029,367	79.9	103.8	170.4	84.9
1926.....	158,386,607	100.0	100.0	172.1	100.0
1927.....	184,613,742	118.0	96.7	179.3	109.0
1928.....	219,105,715	140.1	98.1	185.6	118.8
1929.....	234,944,549	150.2	99.0	197.5	129.7
1930.....	166,379,325	106.4	90.9	203.2	129.8
1931.....	112,222,845	71.8	82.6	195.7	131.4
1932 <sup>1</sup> .....	37,922,575	24.2	77.7	177.9 <sup>2</sup>	87.7

<sup>1</sup> The 1932 figures are for the eleven months to November 30, those for the other years are complete. The building permits are revised figures, except in the case of 1932, those for earlier years are final. <sup>2</sup> Preliminary figure.

The index numbers of wages and prices of materials show the fluctuations in building costs over the period. During 1932, wages declined by 9.1 p.c. as compared with 1931, and there was also a reduction of 5.9 p.c. in the wholesale costs of building materials. The reduction in the cost of building operations has probably been much more than is indicated by these figures. Index numbers of wages in the building trades are based chiefly on union rates in cities, and the types of construction which have been stimulated have been those where the higher paid trades have not been in great demand. The reduction in common labour costs has been proportionately greater than in the trades.

## CHAPTER XII

### TRANSPORTATION AND COMMUNICATIONS

*Railways.*—The distance across Canada from the Atlantic to the Pacific oceans is approximately 3,500 miles and three transcontinental railways stretch from coast to coast. These, with numerous branch lines, give Canada a railway mileage per capita second only to Australia among the nations of the world.

In 1922 the Government amalgamated the Intercolonial, Transcontinental, and other roads with the Canadian Northern, the Grand Trunk and the Grand Trunk Pacific which it had been obliged to take over, due to failure under private operation, and placed the whole under one Board. In 1931 this great system controlled 24,013 miles of railway, being the largest single system in North America. Side by side is the Canadian Pacific with its 16,177 miles of road (exclusive of 1,135 miles in Canada and 5,160 miles in the United States which it controls) and its subsidiary steamship lines on the Atlantic and the Pacific. The Canadian Pacific, operating in a northern latitude, forms, with its auxiliary steamship services, a comparatively short way from Europe to the Far East.



A Canadian National modern Oil-electric Locomotive.

*Courtesy Canadian Government Motion Picture Bureau.*

Canada has elaborate machinery for the government control of transportation in the Board of Railway Commissioners, first organized in 1904, which took over the functions of the Railway Committee of the Privy Council as a rate-controlling body. The Commission has jurisdiction also



in matters relating to the location, construction and general operation of railways.

Due to changing conditions and the increasing complexities in the transportation field, the Government in November, 1931, appointed a Royal Commission to inquire into the whole problem of transportation in Canada, particularly in relation to railways, and shipping and communication facilities, having regard to present conditions and the probable future development of the country. The Commission was under the chairmanship of The Rt. Hon. Lyman P. Duff, Judge of the Supreme Court of Canada.

The Commission's report was submitted on September 13, 1932, and its main findings were that, due to intense competition between the Canadian National and the Canadian Pacific railways, extravagant expenditures had been incurred and this duplication of services and effort, with increased competition from motor vehicles and decreased business due to the industrial depression, were proving disastrous to the railways. It recommended that:—

- (1) The identity of the two railway systems should be maintained.
- (2) The management of the Canadian National Railways should be emancipated from political interference and community pressure.
- (3) Machinery should be provided for co-operation between the two systems for the elimination of duplicate services and facilities and the avoidance of extravagance.
- (4) A scale of economies should be effected to bring the burdens of the National system within reasonable dimensions and effectively check extravagant and costly operation.
- (5) Provision should be made for reasonable protection for the privately-owned undertaking against arbitrary action by the publicly-owned undertaking which might unfairly prejudice the interests of the privately-owned undertaking.

To accomplish this the present Board of seventeen Directors of the Canadian National Railways should be replaced by three Trustees. The annual deficits of the Canadian National Railways should be paid by the Dominion Government and not by railway debentures. A continuous audit should be made by independent auditors. A statutory duty should be imposed upon the Trustees of the Canadian National Railways and upon the Board of Directors of the Canadian Pacific Railway to adopt as soon as possible such co-operative measures, plans and arrangements as shall, consistent with the proper handling of traffic, be best adapted to the removal of unnecessary or wasteful services and practices, to the avoidance of unwarranted duplication in services of facilities and to the joint use and operation of all such properties as may conveniently and without undue detriment to either party be so used. A tribunal of three members, the Chief of the Board of Railway Commissioners as Chairman, and a representative from each company, should be appointed to settle all disputes arising out of the co-operative arrangements requested by one or both of the railways and the decision of the majority of the tribunal, which must include the Chairman, should be binding on both railways, appeals being allowed only as to questions of law if a question of jurisdiction is involved. The Commission also recommended that an inter-provincial conference be held to promulgate regulations for control of motor vehicle traffic and competition with railways. A bill embodying the recommendations in respect to the railways was submitted to Parliament at the fall session of 1932.

*Conditions in 1931 and 1932.*—Canada's railway situation in 1931 may be summed up as follows: a population of 10,376,786 was served with a total of 42,308 miles of single track, and an additional 14,601 miles of second and third main track, industrial track, yard and sidings. The single track mileage in Ontario was 10,905, Saskatchewan had 8,268 miles, Alberta 5,656, Quebec 4,926, Manitoba 4,420 and British Columbia 4,097. The investment in Canadian railways was approximately \$3,464,388,000 and the gross earnings were \$358,549,382. The number of employees was 154,569



The Quebec Bridge.

*Courtesy Department of Marine, Ottawa.*

and the wages bill \$229,499,505. The Canadian railways carried 27 million passengers and 88 million tons of freight during the year and used about 28 p.c. of all the coal consumed in Canada. The railways are supplemented by efficient and adequate marine services, modern hotels in the chief cities from coast to coast, and no less than 42,742 miles of telegraphs which are under their control and operated directly by them. In common with the majority of industries, railway traffic has declined more or less steadily during the past three years. The decline in freight traffic started in August, 1929, and by the end of the year the total was below the 1928 record by 16 p.c. The total for 1930 was less than for 1929 by 15 p.c., the 1931 total was less than for 1930 by 10 p.c. and figures for the first six months of 1932 were less than for the first half of 1931 by 17 p.c. The slump in passenger traffic also started in August, 1929, although the increase from 1924 to 1928 had been only slight. Each month since 1929 has shown a decrease from the corresponding month of the previous year. The total number of passengers carried one mile for the first six months of 1932 was only 51 p.c. of the same total for 1928, and was lighter than for any six months on record.

The railway gross operating revenues and revenue car loadings, by months for 1930, 1931 and to November of 1932 are shown below.

**Railway Statistics, by Months, 1930, 1931 and Jan. to Nov., 1932**

Month	Railway Gross Operating Revenues			Total Revenue Car Loadings		
	1930	1931	1932	1930	1931	1932
	\$000	\$000	\$000	No. 000	No. 000	No. 000
January.....	33,861	28,075	22,120	242	204	166
February.....	32,995	26,572	22,294	232	190	174
March.....	37,632	30,365	25,027	257	211	186
April.....	36,764	30,604	23,851	244	214	180
May.....	37,772	30,667	23,400	277	216	183
June.....	38,876	30,268	24,813	269	222	185
July.....	38,024	29,194	22,970	264	207	157
August.....	38,759	28,072	23,100	281	205	176
September.....	44,298	30,158	28,988	303	227	216
October.....	42,000	32,611	-	308	265	212
November.....	35,384	31,688	-	250	231	193
December.....	33,277	27,732	-	205	185	-

*Canals.*—Canals were the earliest large transportation works in Canada. One of the first locks was a small one constructed by the Hudson's Bay Co. at Sault Ste. Marie and it was destroyed by United States troops in 1814. Another was built at the Lachine Rapids in the St. Lawrence above Montreal in 1825, followed by the Welland Canal in 1829 to overcome the obstacle of Niagara falls. The Rideau Canal (military in primary purpose), the St. Lawrence System and the Chambly Canal followed. To-day there are seven canal systems under the Dominion Government, namely: (1) between Fort William and Montreal, (2) from Montreal to the International Boundary near lake Champlain, (3) from Montreal to Ottawa, (4) from Ottawa to Kingston, (5) from Trenton to lake Huron, (6) from the Atlantic ocean to Bras d'Or lakes in Cape Breton, and (7) from Winnipeg to lake Winnipeg on the Red river. The total length of the waterways comprised in these systems is about 1,594 statute miles. Among projected canals the most important are those connected with the deepening of the St. Lawrence waterway.

*The Welland Ship Canal.*—With the opening of the Welland Ship Canal, the traffic through that waterway has increased from 4.5 million tons for April-September, 1930, to 5.4 million tons for the same period in 1931 and to 6.1 million tons in 1932. Although opened for traffic in April, 1930, the allowable draught was only 18 feet. This, however, was increased to 20 feet in April, 1932, and the official ceremony of opening the canal was held on August 6, 1932. The canal has 30 feet of water in the locks and 25 feet in the stretches between locks which may be readily increased to 30 feet by dredging. The time of transit for the 27.7 miles has been reduced from about 16 hours for the old canal to about 7½ hours and the number of locks reduced from 26 to 8. The locks are 80 feet wide and 859 feet between inner gates and the minimum width of the canal at the bottom is 200 feet. The lift of seven locks ranges from 43 feet 8 inches to 47 feet 10½ inches while that of the guard lock varies with the lake levels, the total difference in elevation of lake Erie and lake Ontario being 327 feet.

*The St. Lawrence Waterway.*—On July 18, 1932, Canada and the United States signed a Treaty providing, primarily, for the construction of canals and channels of 27 ft. depth so that ocean-going ships and heavy draught lake-freighters may carry cargoes up and down the Great Lakes-St. Lawrence waterway without breaking cargo. The dams necessary to the development of a navigation system in the international section of the St. Lawrence river would incidentally make available about 2,000,000 horse-power in this section of the river.

On July 11, 1932, the Dominion of Canada and the province of Ontario entered into an agreement relating to the construction of and payment for the necessary navigation and power works in the International Rapids section of the St. Lawrence river.

The St. Lawrence Waterway Treaty must be approved by the United States Senate and by the Parliament of Canada before going into effect.

The Canada-Ontario Agreement is made subject to its approval by the Parliament of Canada and by the Legislature of the province of Ontario, and unless the Treaty is ratified within three years of the date of the agreement, the agreement can be cancelled by either party.



Landing and Beaching Facilities for Aircraft—Forbes Landing,  
Campbell Lake, Vancouver Island.

*Courtesy Department of National Defence*

*Electric Railways.*—There were horse-car systems in Montreal and Toronto as early as 1861, but the first electric street railway (at St. Catharines, Ont.), dates only from 1887, followed by the Ottawa Electric Railway in 1891, and the electrification of the Montreal and Toronto systems in 1892. They are to-day, of course, common to practically all the cities of Canada. Great advances have also been made in the construction and use of suburban or inter-urban electric lines.



The automobile in recent years has seriously reduced the street and inter-urban electric railway traffic. In 1931, there were 52 systems operating 1,982 miles of track with a total investment of \$234,384,558. During the year 720,468,361 passengers were carried which was a decrease of 72,233,132, or 9.1 p.c. from the 1930 traffic. Gross revenues amounted to \$49,088,310 and the total pay roll amounted to \$24,647,391.

*Express Companies.*—Express service has been defined as "an expedited freight service on passenger trains". There are now four systems in operation with a capital somewhat over \$8,700,000, operating on 63,136 miles of steam and electric railways, boat lines and stage routes, and with gross receipts of about \$20,000,000. Money orders and travellers' cheques to the amount of \$55,600,000 were issued during 1931.

*Roads and Highways.*—Quite as fundamental as railways and waterways, especially in these days of extensive motor traffic, is a good roads system and in this regard Canada has not been backward. A rapidly increasing tourist traffic which brought into the trade channels of the nation an estimated sum of around \$250,776,000 in 1931 has naturally stimulated first class road construction and Dominion and provincial engineers are devoting a great deal of thought and attention to the construction, maintenance and care of highways. (See also p. 112.) In 1931, Dominion, provincial, and municipal<sup>1</sup> expenditures on the improvement and maintenance of roads amounted to \$81,000,000 and another \$7,500,000 was spent on bridges and ferries.

#### Mileage Open for Traffic, Jan. 1, 1932, and Expenditures on Highways, 1931

Class of Highway	Mileage	Expenditure <sup>1</sup>	\$
Unimproved earth.....	132,987	For construction.....	66,250,229
Improved earth.....	157,741		
Gravel.....	80,648	For maintenance.....	22,287,153
Waterbound macadam.....	2,184		
Bituminous macadam.....	1,215		
Bituminous concrete.....	1,692		
Cement concrete.....	1,584		
Other.....	43		
Total.....	378,004	Total.....	88,537,382

<sup>1</sup>Including Bridges and Ferries.

*Motor Vehicles.*—The motor vehicle has been the *raison d'être* of the highway development and has increased in numbers at a very rapid rate. Both private and public passenger and freight motor vehicles have taken an increasing amount of passenger and freight traffic from the railways. Several of the smaller electric railways have had to cease operations entirely and others have abandoned certain lines where the traffic had declined until operation was unprofitable. The passenger traffic on the steam railways has shown no increase during the past ten years despite increases in population, and, in the present depression, has decreased at an alarming rate. In the past few years motor trucks have been carrying enormous quantities of freight, including lumber, hay, and similar commodities, which five years ago were considered safe from the encroachment of the motor truck.

Registrations of motor vehicles have increased from 89,944 in 1915 to 728,005 in 1925 and to 1,206,836 in 1931. The latter figure gives an

<sup>1</sup> This does not include municipal expenditures on other than provincially subsidised roads.

average of one motor vehicle to every 8.6 persons. The United States, New Zealand and Hawaii were the only countries with a greater number per capita and the United States, France and the United Kingdom were the only countries having a greater number of motor vehicles registered. The greatest density in Canada was in Ontario, where there was one motor vehicle to every 6.1 persons. The western provinces averaged 7.1 to 9.3, the Maritime Provinces, 11.4 to 12.1, and Quebec had one motor vehicle to each 16.0 persons.

**Number of Motor Vehicles Registered in Canada, by Provinces,  
Calendar Years 1920, 1925 and 1929-31**

NOTE.—The number of motor vehicles in the Yukon is included in the totals for Canada

Year	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
1920.....	1,419	12,450	11,196	41,562	177,561	36,455	60,325	38,015	28,000	407,064
1925.....	2,955	22,853	19,022	97,657	344,112	51,241	79,078	54,357	56,618	728,005
1929.....	6,141	40,014	31,852	169,547	544,476	77,840	130,229	99,650	95,647	1,195,594
1930.....	7,402	43,036	34,833	178,976	564,669	79,308	129,861	102,652	98,943	1,239,888
1931.....	7,744	43,735	33,730	179,572	563,824	75,564	108,563	95,688	98,220	1,206,836

Unfortunately, the increased use of motor vehicles has increased the number of fatalities due to motor vehicle accidents, not only in the cities and towns but also on the highways. In 1926, 606 persons were killed in motor vehicle accidents and in 1929 the number had more than doubled, being 1,300. In 1930 there was a reduction to 1,290, and in 1931 the number was 1,270.



Toronto Harbour.—Where lake and rail transportation meet.

*Courtesy Canadian Government Motion Picture Bureau*

The annual revenue to the provinces from registration of motor vehicles was \$19,684,908 in 1931, which was a reduction of \$481,377 from 1930 and \$2,826,377 from the year 1929. From gasoline taxes, the revenue amounted to \$22,546,119 for a consumption of 461,166,000 gallons. On an average of 15 miles per gallon, motor vehicles ran about 6,900,000,000 miles on Canadian highways and streets during the year.

*Air Navigation.*—A more recent invention is the aeroplane, already of economic importance in the transportation of passengers and supplies to new and remote mining areas, etc. The mileage flown by aircraft increased from 185,000 in 1922 to 7,046,276 in 1931, when 100,128 passengers, 2,372,467 pounds of freight or express, and 470,461 pounds of mail were carried.

The aeroplane has proved a boon to Canada in developing her mining, forest, fishery, water-power and other resources. By shortening the immense distances which characterize the country and by facilitating the rapid exploration of northern areas, the heavier-than-air machine has found a permanent place in the administrative field. Aerial forest fire patrols are now carried on over large parts of almost every province; fishery patrols by aeroplane protect territorial waters and enforce fishing regulations; and by the use of aeroplanes equipped with special cameras, preliminary surveys, which would have taken years by the older methods are now rapidly made over large tracts of intricate country. For details regarding the air mail service see p. 125.

*Shipping.*—The tonnage of sea-going vessels entered and cleared at Canadian ports showed an almost continuous increase up to 1914; and again during the fiscal years ended 1920 to 1929. The effects of the depression, however, are evident here also and, for 1932, the total tonnage of 83,436,397 was 11 p.c. less than the peak reached in 1929. The tonnage of coasting vessels has also grown, increasing from 10 million tons in 1876 (the first data compiled) to 90 million tons in the fiscal year ended March 31, 1932.

The vessels on the Canadian Shipping Registry in 1902 numbered 6,836 of 652,613 tons. From then there was a fairly steady increase in the number of vessels to 8,573 in 1919, followed by a decrease to 7,482 in 1921; since when there has been an increase to 8,905 representing 1,427,648 tons in 1931.

In the '70's shipbuilding was an important industry in Canada especially in the Maritime Provinces; the vessels built were mostly wooden sailing vessels. The invention of the iron steamboat greatly affected the industry in Canada, and there was a more or less steady decline in the number of vessels built and registered each year from 1885 to 1914. The War stimulated shipbuilding and there was a temporary activity assisted by the marine program of the Dominion Government. During 1930, the latest year for which complete statistics are available, 21 steel vessels of 18,357 gross tonnage, and 60 wooden vessels of 6,304 gross tonnage were built. Of the \$16,869,922 representing the total value of production in 1930 however, only \$5,140,644 was for vessels built or under construction, while \$6,902,745 was for repairs and custom work, and \$4,826,533 for other products, including aeroplanes, boilers, engines, structural steel, etc.

*Telegraphs.*—Canada's first telegraph line was erected in 1846-7 between Toronto, Hamilton, St. Catharines and Niagara. In 1847 also

the Montreal Telegraph Co. was organized and a line built from Quebec to Toronto. Other lines rapidly followed, to be brought eventually under the single control of the Great Northwestern Telegraph Co., which remained alone in the field until the building of the Canadian Pacific Railway and the Canadian Government telegraph lines. In 1931, there were 368,583 miles of telegraph wire in Canada, handling 14,973,538 messages, from which the revenue was \$11,641,799. In addition, six trans-oceanic cables have termini in Canada, five on the Atlantic and one on the Pacific, and handle 6 million cablegrams annually. There are also the Marconi Wireless Telegraph Co. and 34 government-owned and 74 privately-owned radio telegraph stations, on the east and west sea-coasts and on the Great Lakes. The number of wireless messages handled is now about 308,000.

*Telephones.*—The telephone was invented in Canada, and the first talk was conducted by Alexander Graham Bell between Brantford and Paris, a distance of eight miles, on Aug. 10, 1876. Telephone development in Canada, however, dates only from 1880. In 1883 there were only 4,400 rental-earning telephones, 44 exchanges, and 40 agencies, with 600 miles of long-distance wire. In 1931 the number of telephones was over 1,300,000 with a 4,900,000 wire-mileage, the investment being over \$333,000,000. In the three Prairie Provinces there are well-organized government systems. Next to the railways, the telephone companies are probably the largest annual investors in new plant and construction in the Dominion. Canada has more telephones per capita than any other country except the United States.

*Radio.*—The administration of radio within the Dominion is vested in the Department of Marine at Ottawa. The licence fee for operators of radio receiving sets was raised to \$2 for the year 1932 as compared with \$1 which obtained previously. The number of licensed operators in 1931 was 523,100.

The matter of radio jurisdiction has been questioned by certain of the provinces from time to time but on Feb. 9, 1932, the Judicial Committee of the Imperial Privy Council ruled that the control and regulation of radio communication is within the jurisdiction of the Dominion Parliament. On Feb. 16, 1932, the Prime Minister announced the establishment of a Parliamentary Committee to investigate the Canadian radio-broadcasting industry and as a result of their report a Canadian Radio Broadcasting Commission was established in May, 1932, to control a nationalized system. The personnel of the Commission, appointed in October, 1932, is: Chairman, Hector Willoughby Charlesworth, Toronto; Commissioners, Thomas Maher, Quebec, and Lt.-Col. William Arthur Steel, M.C., Ottawa.

*The Post Office.*—The Post Office is under the direction of a special Department, the Dominion being divided into fifteen districts which in their entirety embrace a territory more extensive than that served by any other system in the world except those of the United States and Russia. Rural mail delivery dates from 1908. The number of post offices in operation was 12,133 in 1932, the postal revenue being approximately \$39,000,000. The auxiliary money order branch issued orders payable in Canada to the amount of \$121,000,000 in 1932, and in other coun-



tries to the value of about \$18,000,000. In addition, postal notes to the value of \$13,000,000 are issued. During the War, the domestic letter rate was increased to 3 cents per ounce, but was reduced again to 2 cents as from July 1, 1926. Similarly, the 2 cents per half-ounce (Imperial penny postage) rate, to Great Britain and other parts of the Empire, established at the time of the Diamond Jubilee of Queen Victoria, instead of the older 5-cent rate, was advanced to 3 cents and then to 4 cents in the War period, but was reduced to 2 cents as from Dec. 25, 1928. In May, 1929, the 2-cent letter rate was applied to France and on Christmas Day, 1929, to correspondence for the countries of South America. On July 1, 1930, the rate of letter postage for all other countries was reduced to 5 cents for the first ounce and 3 cents for each additional ounce. On July 1, 1931, the letter rate of postage for Canada, Great Britain, the British Empire, France, the United States, and all other places in North and South America, was increased to 3 cents for the first ounce and 2 cents for each additional ounce.

In its per capita use of the mails Canada takes a high place. In 1868, the year following Confederation, the average postal expenditure for each member of the population was less than 27 cents, whereas during 1931 each person in Canada expended approximately \$3.79. This is remarkable when it is considered that rates of postage have decreased during this period.

The air mail service was inaugurated about Christmas 1927. In the first year of operation, 1927-28, the mileage flown was 9,538 and the weight of mail carried, 38,484 lb.; for 1928-29 the figures were 308,161 miles and 321,584 lb.; during 1929-30, 688,219 miles were flown and 425,280 lb. of mail carried; and during 1930-31 1,747,950 miles were flown and 506,881 lb. of mail carried.

In December, 1929, the air mail route between Fort McMurray, Alta., and Aklavik, N.W.T., was inaugurated. This route extends for 1,676 miles down the Athabaska, Slave and Mackenzie rivers to a point nearly 300 miles within the Arctic Circle. Remarkable regularity and despatch have characterized the service. New mining camps of northern Ontario and Quebec were also linked up by air mail in December, 1929.

The principal development of 1930 was the organization of a daily air mail service between Winnipeg and Calgary *via* Moose Jaw, Regina, and Medicine Hat, with a northern link to Saskatoon, North Battleford and Edmonton. On August 16, 1931, this service was rearranged to link up Edmonton with Calgary on the main route from Winnipeg and service to Saskatoon and North Battleford was discontinued. Lethbridge was added as a point of call on January 15, 1931.

On March 31, 1932, this trans-prairie service was suspended while the Toronto-Detroit service was discontinued on April 30, 1932, following a reduction in the appropriation for air mail transportation in Canada during the fiscal year 1932-33.

During the period of the Imperial Economic Conference in Ottawa an interesting experiment was undertaken to establish the fact that the Gulf of St. Lawrence is both the fastest and safest mail route to and from Europe. The effort was eminently satisfactory, especially since ground organization and equipment were necessarily makeshift in character.

The flight from Red Bay in the strait of Belle Isle to Montreal and Ottawa in connection with the incoming *Empress of Britain* on Aug. 3 resulted in mail reaching Montreal 3 days and 22 hours after leaving London, England.

## CHAPTER XIII

### EXTERNAL TRADE OF CANADA—NON-COMMODITY EXCHANGES

#### External Trade

##### Total Trade

The adverse factors which influenced Canada's foreign trade in 1930-31 continued during the past fiscal year, 1931-32, and the Dominion's trade suffered a still further decline. The general decline in world trade, which had its beginning in the fall of 1929 and which continued throughout the year 1930, was particularly severe during the fiscal year 1931-32, being more marked than for the fiscal year 1930-31, due largely to a further drop in commodity prices, which characterized all world markets. The factors which restricted the flow of Canadian trade during the past two years are similar to those which operated to bring about a drastic decline in the value and volume of world trade. It is difficult to isolate these factors, but the most important which have interfered with the free movement of commodities between countries were: decline in commodity prices, depreciated currency, weakened finances, excessive world stocks, trade control measures, changes in investments abroad, and the general unrest of a political and social nature. Even with the material decrease in import and export trade, analysed in the following pages, Canada has maintained her relatively high place among the trading nations of the world.



Halifax Harbour, N.S. Deepwater Terminals at Pier No. 2.



The Port of  
Saint John,  
N.B.

Activity in the  
Port of Montreal



Port of Montreal;  
Central Section of  
Harbour near  
Entrance to  
Lachine Canal

Increased activity has been noticeable in the Atlantic ports recently as a result of the increased movement of wheat and coal. The Anglo-Canadian Agreement resulting from the Imperial Economic Conference encourages the greater use of our own port facilities.

*Courtesy Canadian Government Motion Picture Bureau*

Canada's total trade for the fiscal year 1932 amounted to \$1,166,069,421, a reduction of 32.4 p.c. compared with 1931 and 51.3 p.c. compared with 1930. In spite of the large decrease in the past three years total trade is now nearly 10 times that at Confederation.

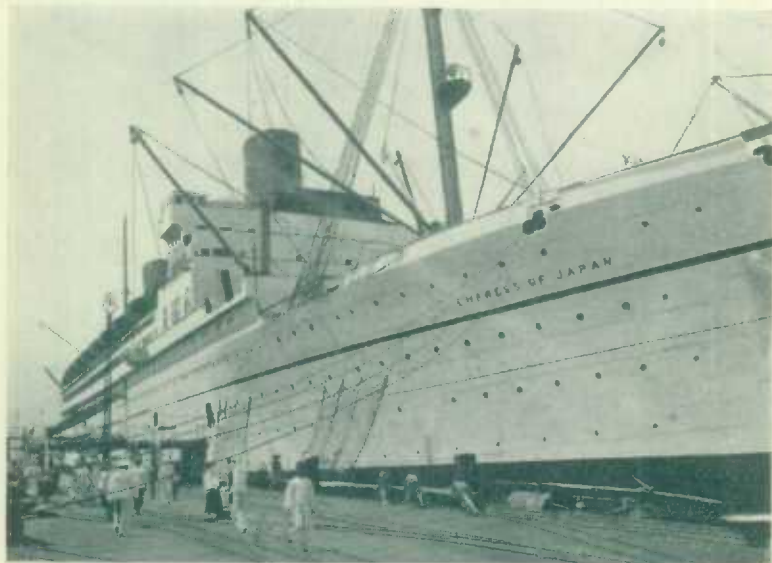
The following table shows the trend of total Canadian trade (*i.e.*, excluding the small percentages of foreign merchandise exported) for typical years from 1906 to 1920 and annually thereafter.

**Total Canadian Trade<sup>1</sup> with British Empire and Foreign Countries**

Fiscal Year	Canadian Trade with—				Total Canadian Trade
	United Kingdom	Other British Empire	United States	Other Foreign Countries	
	\$	\$	\$	\$	\$
1906.....	190,640,380	25,570,276	252,802,758	44,210,823	519,224,236
1914.....	347,324,375	45,844,988	559,674,963	97,938,111	1,050,782,437
1922.....	416,497,018	78,447,645	808,546,839	184,553,510	1,488,045,012
1929.....	627,975,484	165,570,872	1,367,024,374	468,218,033	2,629,388,763
1930.....	470,925,703	161,428,269	1,362,491,800	373,686,112	2,368,531,884
1931.....	308,743,891	129,018,931	934,067,581	274,521,959	1,706,355,362
1932 <sup>2</sup> .....	280,415,504	86,352,876	586,873,449	201,206,377	1,154,848,206

<sup>1</sup>These figures do not include exports of foreign merchandise.

<sup>2</sup>Preliminary figures.



The C.P.R. Liner *Empress of Japan* unloading Canadian flour at Hong Kong.  
—The *Empress of Japan* is the largest and fastest liner travelling to the Orient and is the flagship of the Canadian Pacific "White Empress" fleet.

*Courtesy, Publicity Division, Dept. of Trade and Commerce*



The Dominion's total trade with the United Kingdom in 1932 was \$281,334,603, showing a decrease compared with 1931 of 24.0 p.c. and with 1930 of 40.5 p.c. Total trade with the United States in 1932 was \$596,037,639, a decrease of 37.1 p.c. compared with 1931 and of 56.9 p.c. compared with 1930. The above figures of total trade include exports of foreign produce from Canada as well as domestic exports. Total exports of such foreign merchandise amounted to \$17,285,381 in 1931 and \$11,221,215 in 1932, which is a very small proportion (about 1 p.c.) of total trade for those years.

In 1932 the percentage of total Canadian trade carried on with the United Kingdom was 24.3, with other British countries 7.5, with the United States 50.8, and with other foreign countries 17.4, whereas in 1931 total Canadian trade with these same countries was in the following proportions: 21.6 with the United Kingdom, 7.6 with other British countries, 54.7 with the United States, and 16.1 with other foreign countries.

As regards total Canadian trade therefore the relative trend in 1932 was upwards with the United Kingdom, about stationary with other British countries, downwards with the United States and upwards with other foreign countries.

The following résumé of total trade for the years 1921-32 shows that for only three of the twelve years did imports exceed exports. The year of highest per capita trade was 1921 with 1929 a close second; the year of lowest per capita trade in the period was 1932.

#### Ratio of Exports to Imports and Value per capita of Exports, Imports and Total Trade, fiscal years 1921-32

Fiscal Year	Excess of Imports Entered for Consumption over Total Exports	Excess of Total Exports over Imports Entered for Consumption	Percentage Rate of Total Exports to Imports Entered for Consumption	Estimated Population	Values per capita of—		
					Exports Canadian Produce	Total Imports	Total Trade <sup>1</sup>
	\$	\$	p.c.	No.	\$	\$	\$
1921.....	29,730,763	—	97.60	8,787,949	135.32	141.20	276.52
1922.....	—	6,122,677	100.82	8,919,000	83.00	83.84	166.84
1923.....	—	142,716,593	117.78	9,009,000	103.39	89.09	192.48
1924.....	—	165,396,430	118.51	9,142,000	114.35	97.72	212.07
1925.....	—	284,429,106	135.60	9,293,000	115.04	85.76	200.80
1926.....	—	401,371,405	143.28	9,450,000	139.19	98.13	237.32
1927.....	—	236,680,637	122.92	9,635,000	129.96	100.99	236.95
1928.....	—	141,641,568	112.76	9,833,000	124.92	112.78	237.70
1929.....	—	123,216,984	109.72	10,027,909	136.00	126.23	262.23
1930.....	103,335,512	—	91.72	10,206,000	117.83	122.31	240.14
1931.....	89,584,647	—	90.12	10,376,786	77.07	87.37	164.44
1932.....	—	9,061,613	101.57	10,506,000	54.86	55.06	109.92

<sup>1</sup>Not including exports of foreign produce.

<sup>2</sup>Preliminary figures.

#### Imports

For the fiscal year ended March 31, 1932, imports were less by \$328,108,791, or 36.2 p.c., than for the year 1931. Of the total imports of \$578,503,904 for 1932, 60.8 p.c. came from the United States; 18.4 p.c., from the United Kingdom; 7.2 p.c., from other British countries; and 13.7 p.c., from other foreign countries. In 1931 the proportions were 64.5 p.c., 16.5 p.c., 6.1 p.c., and 12.9 p.c. respectively.

The percentage of imports from the United States to total imports has therefore shown a decline for 1932 but those from the United Kingdom, other British countries and other foreign countries show increases.

The table below gives the import figures for British and foreign countries for the years 1906, 1914, 1922, 1929, 1930, 1931 and 1932.

### Imports from British and Foreign Countries

Fiscal Year	Canadian Imports from—				Total Imports
	United Kingdom	Other British Empire	United States	Other Foreign Countries	
	\$	\$	\$	\$	\$
1906.....	69,183,915	14,605,519	169,256,452	30,664,394	283,740,280
1914.....	132,070,400	22,456,440	396,302,138	68,365,014	619,193,998
1922.....	117,135,343	31,973,910	515,958,196	82,736,883	747,804,332
1929.....	194,041,381	63,377,958	868,012,229	140,247,523	1,265,679,091
1930.....	189,179,738	63,523,968	847,442,037	148,127,841	1,248,273,582
1931.....	149,497,392	55,401,034	584,407,018	117,307,251	906,612,695
1932 <sup>1</sup> .....	106,371,779	41,440,214	351,686,775	79,005,136	578,503,904

<sup>1</sup>Preliminary figures.

The following table shows the positions of the twenty chief commodities in import trade for the past two fiscal years.

### Twenty Chief Commodities Imported, 1931 and 1932

Rank	Commodity (In order of value, 1932)	Imports, fiscal year ended March, 1932		Increase (+) or Decrease (—) 1932 Compared with 1931		
		Quantity	Value \$	Quantity	Value \$	
1931	1932					
1	1	Coal..... ton	13,117,299	35,501,362	(—) 4,192,786	(—) 16,729,847
4	2	Spirits and wines..... gal.	2,298,805	25,541,561	(—) 742,544	(—) 9,410,719
2	3	Machinery.....	—	24,387,589	—	(—) 19,819,673
3	4	Crude petroleum..... gal.	1,076,277,111	24,194,094	(+) 19,333,659	(—) 14,384,382
8	5	Sugar for refining..... lb	951,344,000	19,303,737	(+) 69,764,300	(—) 1,439,680
7	6	Green fruits.....	—	15,405,008	—	(—) 5,616,121
6	7	Electric apparatus.....	—	14,672,423	—	(—) 12,132,301
9	8	Automobile parts.....	—	13,451,825	—	(—) 6,145,388
5	9	Plates and sheets (iron)..... cwt.	5,038,477	13,360,019	(—) 4,447,799	(—) 13,783,227
13	10	Books and printed matter.....	—	12,609,325	—	(—) 3,527,176
12	11	Gasolene..... gal.	115,822,957	9,751,706	(—) 40,482,688	(—) 6,439,672
15	12	Paper.....	—	8,825,141	—	(—) 3,257,729
17	13	Settlers' effects.....	—	8,202,445	—	(—) 3,226,875
16	14	Raw cotton..... lb.	93,635,016	7,802,044	(—) 4,522,570	(—) 4,278,144
18	15	Vegetable oils..... gal.	13,902,033	7,644,017	(—) 307,361	(—) 3,226,689
19	16	Engines and boilers.....	—	7,210,249	—	(—) 2,823,715
20	17	Clay and its products.....	—	7,195,457	—	(—) 2,236,678
14	18	Tea..... lb.	42,765,703	7,125,314	(—) 10,698,638	(—) 5,923,563
32	19	Raw silk..... lb.	2,539,133	6,199,154	(+) 581,738	(—) 196,690
26	20	Glass and glassware.....	—	5,744,616	—	(—) 2,130,677

It is an interesting study to note the changing relations over a number of years between the commodities listed by rank. Coal, now in first place, has been among the first three commodities since 1890 but machinery, which is now in third place, headed the list in 1930, with imports valued at 69 million dollars and was in sixth place eleven years ago when its imports were valued at 37 million dollars, being then outranked by: sugar and products, coal, cotton goods, woollen goods, and rolling-mill products. Crude petroleum has risen to prominence rapidly since 1920 when it was in eleventh place.

Commodities are classified by the Bureau of Statistics into nine main groups as follows: agricultural and vegetable products; animal and animal products; fibres, textiles, and textile products; wood, wood products and paper; iron and its products; non-ferrous metals and their products; non-metallic minerals and their products; chemicals and allied products; and miscellaneous commodities. Imports for all groups showed heavy decreases for 1932. The greatest absolute decreases were experienced by iron and its products, non-metallic minerals and their products and agricultural and vegetable products in the order given, but the greatest percentage decreases were shown by iron and its products (49 p.c.), animals and animal products (46.5 p.c.), and non-ferrous metals and their products (43.3 p.c.).

The most important group from a standpoint of imports was agricultural and vegetable products under which classification imports reached \$129,000,000, by far the most important items being alcoholic beverages, sugar and fresh fruits. This group showed a decrease of 27.5 p.c. from the 1931 figures. The other groups in order of value of imports were: non-metallic minerals and their products (\$102,000,000—chiefly coal and petroleum); iron and its products (\$99,000,000—chiefly machinery, automobile parts, plates and sheets, etc.); and fibres, textiles and textile products (\$84,000,000).

### Exports

The Dominion leads the world in exports of wheat, printing paper, nickel and asbestos; occupies third place in exports of wheat flour; fourth place in the exports of automobiles and wood pulp; and fifth place as regards rubber tires. The exports of these staple products from Canada make up about 55 p.c. of the Dominion's total domestic exports. Canada also ranks high in the world's exports of many other staple products such as lumber and timber, fish, copper, barley, cheese, raw furs, etc.

Total exports for the fiscal year ended March 1932 were \$587,565,517, of which \$11,221,215 were exports of foreign produce. The domestic exports were, therefore, \$576,344,302 and showed a reduction of 27.9 p.c. compared with 1931. Of these domestic exports 30.2 p.c. went to the United Kingdom, 40.8 p.c. to the United States, 7.9 p.c. to other British countries and 21.2 p.c. to other foreign countries. The United States and the United Kingdom have always been Canada's two best customers, but the export records for 1931 and 1932 show that, as compared with 1930, the percentages of our exports to the United Kingdom are increasing, while those to the United States show a decrease.

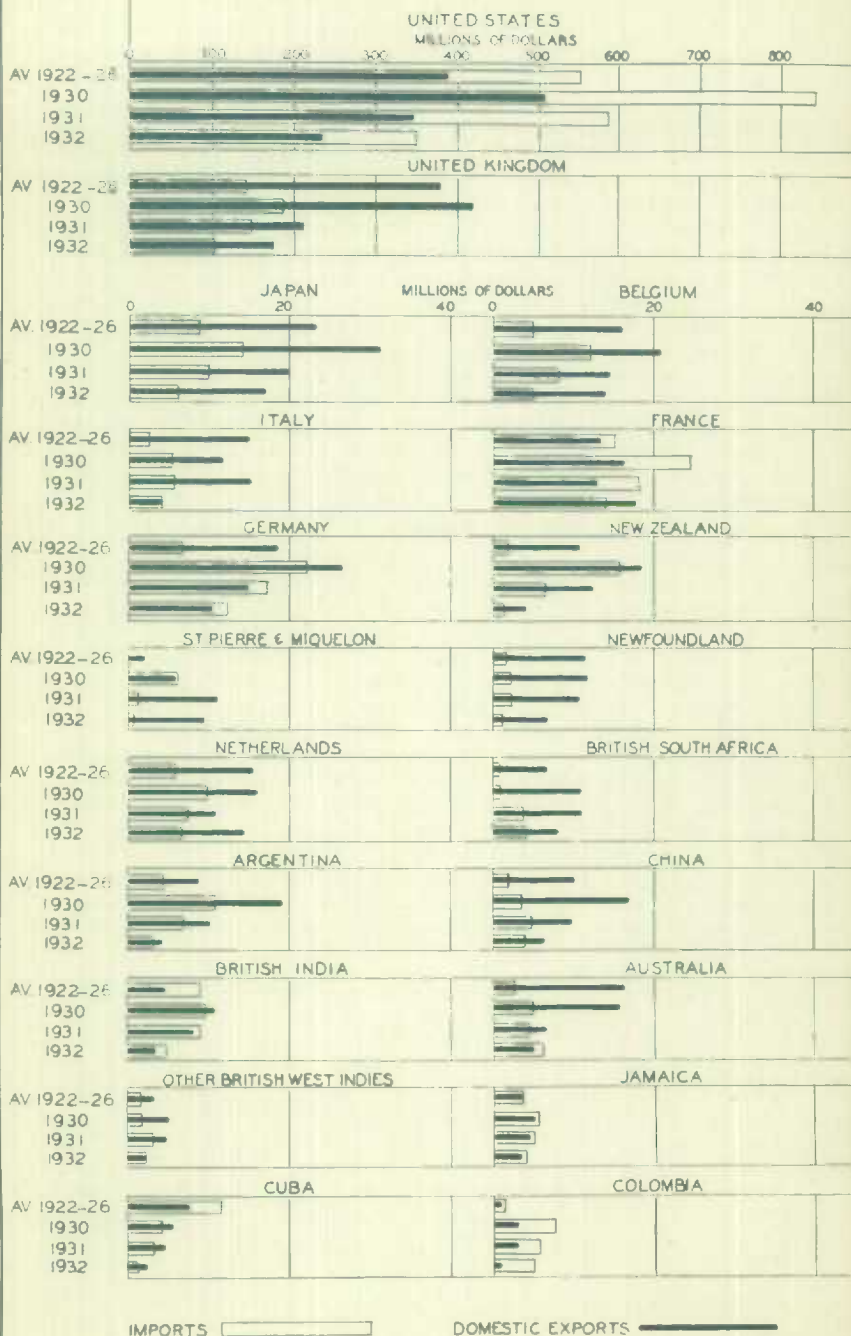
### Canadian Exports to British and Foreign Countries

Fiscal Year	Canadian Exports to—				Total Domestic Exports
	United Kingdom	Other British Empire	United States	Other Foreign Countries	
	\$	\$	\$	\$	\$
1906.....	127,456,465	10,964,757	83,546,306	13,516,428	235,483,956
1914.....	215,253,969	23,388,548	163,372,825	29,573,097	431,589,439
1922.....	299,361,675	46,473,735	292,588,643	101,816,627	740,240,680
1929.....	429,730,485	106,396,532	499,612,145	327,970,510	1,363,709,672
1930.....	281,745,965	97,904,303	515,049,763	225,558,271	1,120,258,302
1931.....	219,246,499	72,617,897	349,660,563	157,217,708	799,742,667
1932.....	174,043,725	44,912,662	235,180,674	122,201,241	576,344,302

<sup>1</sup>Preliminary figures.

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# CANADA'S TRADE WITH PRINCIPAL COUNTRIES





The table which follows compares the positions of twenty chief commodities in export trade for the past two fiscal years.

**Twenty Chief Commodities Exported, 1931 and 1932**

Rank 1931/1932	Commodity (In order of value, 1932)	Total Exports, fiscal year ended March, 1932		Increase (+) or Decrease (—) 1932 Compared with 1931	
		Quantity	Value	Quantity	Value
			\$		\$
1	1 Wheat.....bush.	191,315,933	115,739,383	(—) 25,027,104	(—) 61,680,386
2	2 Newsprint paper.....cwt.	39,942,149	103,003,352	(—) 4,876,330	(—) 24,249,354
3	3 Wood pulp.....cwt.	11,763,563	27,684,782	(—) 2,099,359	(—) 7,376,907
4	4 Fish.....cwt.	3,539,252	23,594,230	(+)	128,990
5	5 Wheat flour.....bbl	5,413,740	18,897,543	(—) 1,804,448	(—) 13,978,691
5	6 Planks and boards.....M ft.	905,679	18,766,452	(—) 403,804	(—) 12,831,750
10	7 Raw gold.....	—	13,671,565	—	(—) 4,161,043
11	8 Copper bars, rods, etc.....cwt.	1,588,793	13,057,733	(+)	1,433,148
12	9 Raw furs.....	—	12,110,157	—	(—) 2,826,656
9	10 Nickel.....cwt.	543,791	12,109,400	(—)	275,502
9	11 Whiskey.....gal.	2,512,607	11,622,256	(—)	726,557
13	12 Cheese.....cwt.	854,247	10,593,967	(+)	58,343
63	13 Barley.....bush.	24,337,678	10,002,911	(+)	20,868,949
14	14 Pulpwood.....cord	832,024	8,196,144	(—)	331,631
19	15 Apples, fresh.....bbl	1,658,882	6,537,584	(—)	5,857
7	16 Copper ore and blister.....cwt.	812,166	6,346,192	(—)	962,767
23	17 Zinc.....cwt.	2,314,509	5,261,647	(+)	103,267
16	18 Silver ore and bullion.....os	17,753,631	5,160,528	(—)	6,942,196
15	19 Rubber tires.....No.	1,056,596	5,152,814	(—)	1,007,939
22	20 Meats.....	—	4,960,816	—	(—) 1,144,160

All of the nine main classification groups showed decreases in the value of exports for the fiscal year ended 1932. The greatest absolute decrease was in the agricultural and vegetable products group but the greatest percentage decrease (60.2 p.c. as compared with 30 p.c. for the former group) was recorded by the iron and its products group. The exports for the agricultural and vegetable products group were first and reached \$204,000,000, with wheat by far the chief item, accounting for 56 p.c. of the total. The wood, wood products and paper group was second in exports (\$176,000,000). Newsprint paper accounted for about 60 p.c. of the exports. Non-ferrous metals and their products was third with exports of \$69,000,000 followed by the animals and animal products group with \$68,800,000. The chief items in the former group were raw gold and copper bars and rods, and in the latter fish (fresh and canned), raw furs and cheese.

Wheat has been the leading export for more than twenty years and even though exports of wheat in 1930 showed a decrease of \$212,770,851 and the figures for 1931 and 1932 showed further decreases of \$38,333,706, and \$61,680,386 respectively this commodity still holds first place. But there have been many changes within this period in the order of all the other commodities listed. So recently as 1920 wheat was followed by meats (now twentieth), wheat flour, planks and boards, and printing paper (now second), in the order named.

*Review of Calendar Year, 1931 and early months of 1932.*—The monthly trade figures as available when going to press and as compared with 1929 and 1930 were as follows (\$000 omitted):—

## Imports and Exports, by Months, January 1929 to November 1932

Month	Imports				Exports of Canadian Produce			
	1929	1930	1931	1932	1929	1930	1931	1932
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
January.....	96,958	84,662	50,414	34,115	94,921	73,507	44,683	38,367
February.....	97,042	80,922	50,994	35,586	82,259	66,960	43,873	36,431
March.....	135,329	113,026	75,381	57,448	114,763	89,595	55,048	39,749
April.....	87,517	71,402	51,189	29,794	65,728	50,744	33,935	26,976
May.....	125,615	101,545	73,457	44,361	107,473	77,261	59,833	40,594
June.....	111,949	91,544	52,509	40,743	112,176	78,703	54,348	40,945
July.....	114,291	84,551	48,379	35,711	102,219	76,408	49,645	42,321
August.....	111,631	77,906	47,308	36,527	96,265	69,290	48,764	41,314
September.....	99,380	87,900	45,379	34,544	87,751	61,046	48,991	42,187
October.....	116,271	78,358	45,933	37,095	119,260	82,791	55,538	56,626
November.....	108,734	76,325	46,911	37,769	111,068	73,061	57,487	45,945
December.....	84,365	60,338	40,290	—	88,520	66,820	53,255	—

## The Canadian Trade Balance

From Confederation to 1931, exports of all produce from Canada to all countries exceeded imports in twenty-six years, while imports exceeded exports in thirty-eight years. The largest excess of exports in a single fiscal year was in 1918, a "war year", when it amounted to \$622,637,000; while the largest excess of imports, amounting to \$294,139,000 occurred in 1913. The "unfavourable" balances occurred chiefly in 1903-1913, years of heavy capital imports.

Canada's balance of trade with the United Kingdom has been favourable since 1889. With the United States it is usually unfavourable. In only six years since Confederation has it been otherwise, *viz.*, in the first four years following Confederation and in 1880 and 1882.

## Trade Balances of the Principal Countries of the World, calendar years 1930 and 1931

Credit balances marked (+) Debit balances marked (—)

Rank 1930 1931		Countries	1930		1931	
			Amount	Per Capita	Amount	Per Capita
			Million \$	\$ c	Million \$	\$ c
2	1	Germany.....	(+) 222.6	(+) 3 44	(+) 612.0	(+) 9 40
1	2	United States.....	(+) 782.3	(+) 6 38	(+) 348.4	(+) 2 84
7	3	Australia.....	(—) 14.1	(—) 2 19	(+) 226.4	(+) 134 89
14	4	Argentina.....	(—) 120.7	(—) 10 78	(+) 119.7	(+) 10 46
4	5	Brazil.....	(+) 61.8	(+) 1 54	(—) 113.7	(—) 2 82
3	6	British India.....	(+) 221.3	(+) 0 70	(+) 103.2	(+) 0 29
6	7	New Zealand.....	(+) 11.1	(+) 7 44	(+) 44.9	(+) 29 76
5	8	Union of South Africa.....	(+) 16.4	(+) 1 46	(+) 34.6	(+) 4 32
13	9	Canada.....	(—) 103.1	(—) 10 38	(—) 10.9	(—) 1 05
15	10	Belgium.....	(—) 130.5	(—) 16 20	(—) 17.9	(—) 2 21
8	11	Spain.....	(—) 17.3	(—) 0 76	(—) 21.4	(—) 0 94
10	12	Denmark.....	(—) 31.2	(—) 8 87	(—) 35.1	(—) 9 88
11	13	Japan.....	(—) 35.7	(—) 0 55	(—) 45.3	(—) 0 70
9	14	Sweden.....	(—) 27.6	(—) 4 51	(—) 81.7	(—) 13 30
17	15	Italy.....	(—) 273.0	(—) 6 54	(—) 86.0	(—) 2 09
12	16	Norway.....	(—) 102.7	(—) 36 42	(—) 101.3	(—) 36 25
16	17	Switzerland.....	(—) 174.0	(—) 42 95	(—) 182.8	(—) 44 95
18	18	Netherlands.....	(—) 281.7	(—) 35 66	(—) 243.9	(—) 30 80
19	19	France.....	(—) 373.9	(—) 9 09	(—) 481.4	(—) 11 50
20	20	United Kingdom.....	(—) 1,884.9	(—) 41 06	(—) 1,916.6	(—) 39 09

It will be seen that Canada's position among the nations as regards the balance of trade rose from thirteenth in 1930 to ninth in 1931.

### Non-Commodity Items of Foreign Exchange

A nation's commodity trade alone cannot be taken as a complete index of its prosperity, for there are many other exchanges besides those of goods, all of which must be taken into account in order to find out the basic state of affairs in regard to total international transactions. Among such more or less "invisible" exchanges may be mentioned interest and freight payments, financial services, insurance premiums, advertising payments, royalties, cash contributions to various objects, the financing of tourist expenditures, the money movement which accompanies immigration and emigration, etc. If all the visible and invisible items which make up a country's dealings were set down and totalled, the debit or credit balance would be a final invisible item representing an export or import of capital. Just as in the case of an individual an excess of expenditures over receipts must be made up by borrowing or reduction of capital or an excess of receipts over expenditures results in a capital asset, so it is in the case of a nation. The accompanying table, which includes the latest estimates of the Bureau of Statistics, shows debit and credit items of Canada's business relations and exchanges with other countries as a whole for 1930 and 1931.

#### Estimated Balance of Canada's International Payments, 1930 and 1931

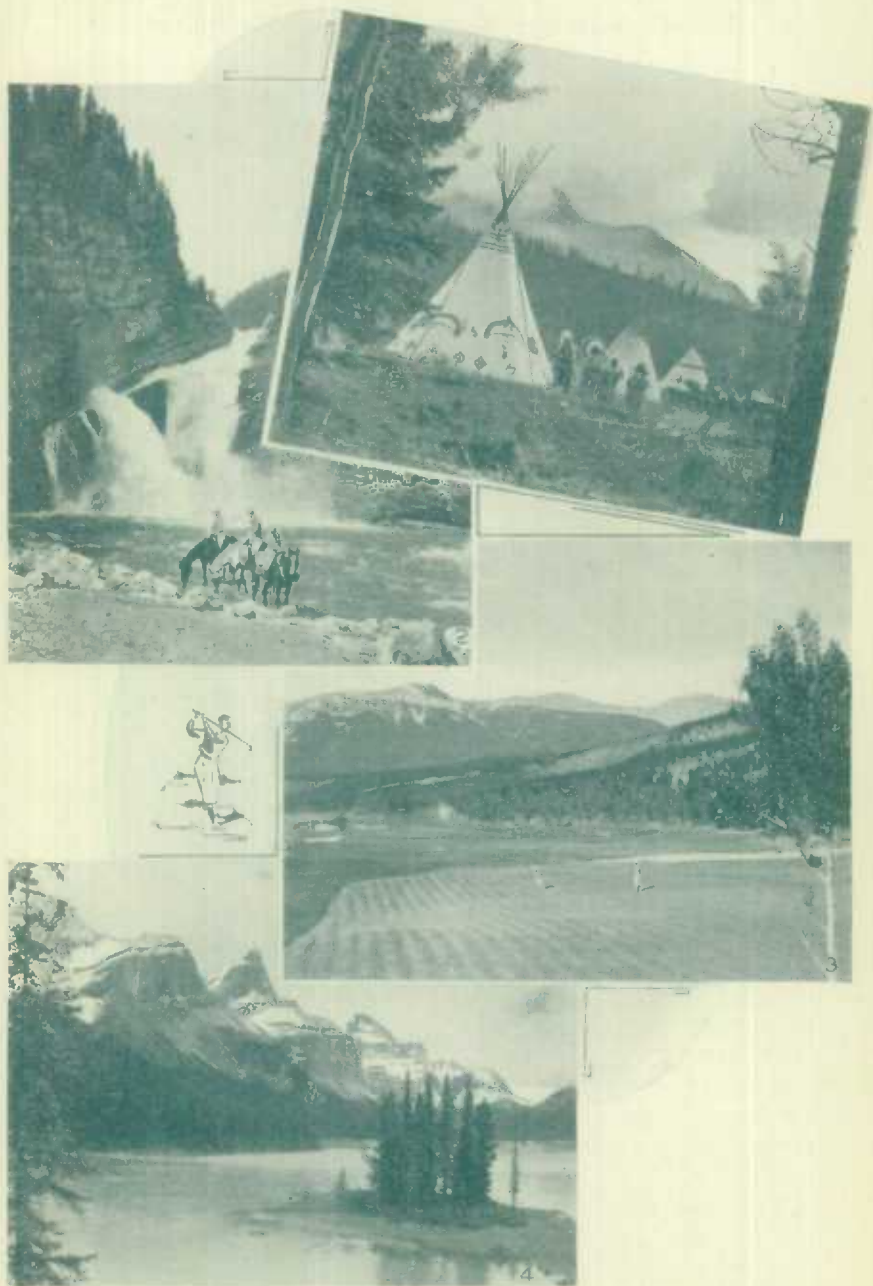
("000" omitted)

Item	1930		1931	
	Exports Visible and Invisible	Imports Visible and Invisible	Exports Visible and Invisible	Imports Visible and Invisible
	\$ 000	\$ 000	\$ 000	\$ 000
1. <i>Commodity Trade</i> —Recorded merchandise exports and imports.....	905,370	1,008,479	617,243	628,098
Deductions for settlers' effects and other non-commercial imports.....	-10,957	-23,814	-9,328	-16,751
Unrecorded imports of ships.....	-	7,470	-	500
Real Totals of Commodity Trade.....	894,413	992,135	607,915	611,847
2. Exports and imports of gold coin, bullion, and subsidiary coin.....	25,343	39,062	70,062	2,038
3. Freight payments and receipts, n.o.p.....	68,815	100,908	49,670	76,528
4. Tourist expenditures.....	279,238	113,292	250,776	76,452
5. Interest payments and receipts.....	88,220	272,586	70,722	252,076
6. Immigrant remittances.....	14,000	23,000	10,051	13,110
7. Government expenditures and receipts.....	11,750	10,379	11,750	10,960
8. Government receipts, reparations.....	4,000	-	1,295	-
9. Charitable and missionary contributions.....	900	1,800	900	1,800
10. Insurance transactions.....	29,483	22,138	27,000	20,000
11. Advertising transactions.....	4,000	6,000	3,000	5,000
12. Motion picture royalties.....	-	3,750	-	3,750
13. Capital of immigrants and emigrants.....	11,083	9,424	5,173	3,820
14. Earnings of Canadian residents employed in U.S.A.....	3,696	-	1,857	-
15. Exports and imports of electrical energy <sup>1</sup> .....	-	-	-	-
16. Difference between all exports and imports <sup>2</sup> .....	159,533	-	-	27,700
Totals.....	1,594,474	1,594,474	1,115,171	1,115,171

<sup>1</sup>Included in Commodity Trade.

<sup>2</sup>This item represents: (a) Foreign capital invested in Canada in 1930 and 1931, and (b) Errors and omissions.

# CANADA'S UNRIVALLED TOURIST ATTRACTIONS



1. Indians at Banff. 2. Cameron Falls, Waterton Lakes National Park. 3. Golf Course, Jasper National Park. 4. Camping in Western Canada.

*Courtesy Department of the Interior.*



*The Tourist Trade.*—An item in the above which deserves special mention is the tourist trade. Since 1926 various methods have been adopted by the Dominion Bureau of Statistics for obtaining a general idea of the amount and value of this trade. The following figures of tourist expenditures 1926-31 are in accordance with the latest revision. For the year 1931 the tourist trade was calculated to have brought almost \$251,000,000 into the country, and after the deduction of \$76,000,000 spent by Canadian tourists abroad, the favourable balance was estimated at \$174,000,000. The figures show a relative increase in the favourable balance, in spite of the fact that expenditures were reduced, compared with 1930. By far the most important factor in the above, is the automobile traffic between Canada and the United States, it being estimated that such United States tourists spent \$188,129,000 in Canada in 1931, while Canadian automobile tourists spent about \$40,264,000 in the United States. Tourist expenditures are, in part, the return which Canada derives from her picturesque scenery, her fish and game, her winter sports and other advantages, and represent an "invisible" export which is increasing steadily in value year by year.

Tourist Expenditures, 1926-31

Year	Expenditures of Outside Tourists in Canada (1)	Expenditures of Canadian Tourists in Other Countries (2)	Excess of (1) over (2)
	\$	\$	\$
1926.....	201,167,000	98,747,000	102,420,000
1927.....	238,477,000	108,750,000	129,727,000
1928.....	275,230,000	107,522,000	167,708,000
1929.....	309,379,000	121,645,000	187,734,000
1930.....	279,238,000	100,389,000	178,849,000
1931.....	250,776,000	76,452,000	174,324,000

Canada-United States tourist traffic is greater than that between any other two countries in the world. The high per capita wealth in both countries promotes travel and the close interlocking of business interests necessitates many business trips across the frontier. There is, in the United States, one automobile to every 4.6 persons and in Canada, one to every 8.6. For the United States family of moderate income the relative cheapness of an automobile holiday in Canada is attractive. Railway and steamship lines add substantially to the number of holiday seekers.

The benefits of the tourist business are not altogether one-sided, however. Canadians are attracted by the larger United States' cities and the more "settled" type of scenery, while large numbers of wealthy Canadians visit the United States' winter playgrounds in the south. The estimated annual expenditure of Canadian tourists in the United States is only about one-third that of United States' tourists in Canada, but in comparing these the relative populations of the two countries should be considered. If United States' tourists to Canada were in the same proportion to their population as Canadian tourists to the United States are to ours, the income accruing to Canada from this source—assuming expenditures to be on the present basis—would be more than \$900,000,000; but Canadian car owners, who bulk large in this movement, are wealthier on the average and the number of passengers per car is greater, hence the higher average expenditure.

## CHAPTER XIV

### INTERNAL TRADE—WHOLESALE AND RETAIL TRADE —FREIGHT MOVEMENTS—STOCK MARKETS COMMODITY PRICES—COST OF LIVING

Internal trade in Canada is of primary importance among economic activities. The home consumption of goods and services by a population of 10,000,000 requires a greater expenditure of economic activity than that required for the prosecution of external trade. Internal trade includes the transportation and distribution of goods within the country through the medium of railways, steamships, warehouses, wholesale and retail stores, and other agencies. It includes all professional services such as those carried on by doctors, theatres, hospitals, schools, banks, insurance companies, and innumerable others. All such activities, even if not productive of material goods, add substantially to the national income.

Historically, Canadian internal trade developed as a result of the fur-trade, fur being the first great staple sought in Canada by Europeans in exchange for their products. This trade spread until it covered the whole area of the Dominion, forming the framework into which the economic activities of the nation were gradually built. Lumber, fisheries, agricultural, mineral and other resources were gradually exploited. As population grew local manufacturing industries supplanted certain imports. Diverse resources in various parts of the country led to a vast exchange of products, and growing wealth to increasing abundance of services.

Unfortunately, owing to the many ramifications of internal trade, its statistical measurement presents great difficulties. Nevertheless some idea of its extent may be gathered from the fact that in 1930 the grand total value of the activities of those occupied in production of all kinds as estimated under the heading National Income on p. 49 was \$4,800,000,000, while the combined money value of external trade (imports and Canadian exports) was \$1,155,000,000.

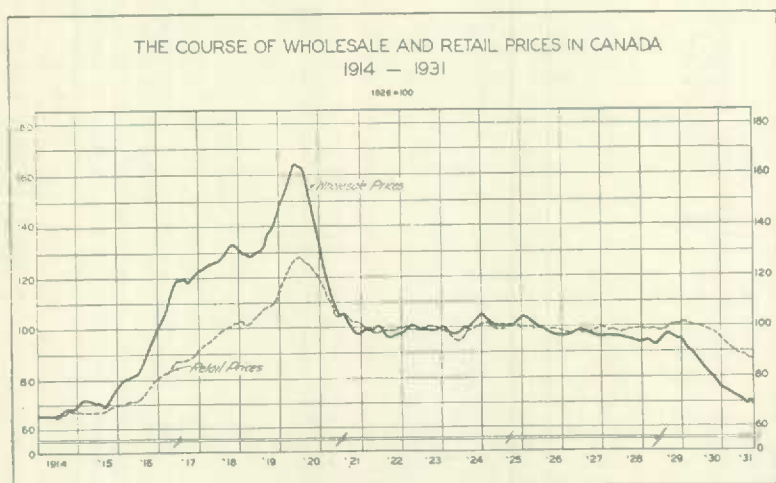
The sections which follow deal with those features of internal trade which have not received treatment elsewhere in this handbook.

#### Wholesale and Retail Trade

The moving of goods of all descriptions so that the ultimate consumer may conveniently obtain them, is a business which uses many millions of dollars in capital and employs many thousands of hands. A census of Canadian trading establishments taken in 1924 showed that there was invested in retail establishments alone \$1,250,000,000 with sales amounting to \$2,500,000,000. Sales at wholesale were estimated to be at least two-thirds of that amount.

*Chain Stores.*—In recent years great changes have taken place in the organization of the distribution of goods. The chain store is now doing a large and growing proportion of the work of retailing merchandise, though this type of store is not occupying the whole field. In a study made by the Bureau of Statistics in 1930 of 210 chain-store organizations, it was estimated that independent stores still do 75 p.c. or more of the

retail business of the Dominion. In food products, the most developed section of the chain-store movement, chain stores probably account for about 25 to 30 p.c. of the business. An important result of this movement is the rise of organized independents. Large numbers of independent stores are forming common buying and advertising organizations, thus bringing to themselves some of the economies of large scale dealings enjoyed by chain stores. The next few years are likely to see keen competition between these rival organizations.



Merchandising outlets in the 210 chain-store systems mentioned above numbered 11,869, of which 2,965 were for food products, 991 for tobacco, 512 for toilet articles, 428 for women's, misses' and children's clothing, 410 for house furnishings, 387 for drugs and drug sundries, 378 for hardware. Total sales amounted to \$256,000,000. Food products represented 54.9 p.c. of this, women's clothing 4.2 p.c., men's clothing 3.8 p.c., tobacco 3.4 p.c., dry goods and notions 3.1 p.c., hardware 3.0 p.c., toilet articles, 2.7 p.c., boots and shoes 2.5 p.c.

### Internal Freight Movements

An important indicator of the volume of internal trade is found in the reports of revenue freight carried by the railways. In 1931 this revenue freight totalled 73,837,245 tons. The returns by provinces throw light on interprovincial trade in Canada. For example, the four western provinces show a net export to the eastern provinces of 6,021,126 tons of freight made up largely of agricultural and animal products. The eastbound movement of wheat alone amounted to 5,157,024 tons and other grains and agricultural products brought the total net eastern movement up to 6,224,753 tons. The movement of animal products going eastward was 176,758 tons. There were cross movements of mine products, the net movement westward of 155,509 tons consisting mostly of coal. Forest products moved eastward to the extent of 324,497 tons and manufactures and miscellaneous

freight showed a westward movement amounting to 549,773 tons, fish, and lime and plaster being the only commodities listed with a net movement eastward. The accompanying table shows the figures for revenue freight by provinces for the first seven months of 1932 with comparative totals for 1931.

**Freight Originated and Freight Terminated for Seven Months ended July 31, 1932**

Province	Originated at Stations in Canada	Received from Foreign Connections	Total Originated	Terminated at Stations in Canada	Delivered to Foreign Connections	Total Terminated
	000 tons	000 tons	000 tons	000 tons	000 tons	000 tons
Prince Ed. Island.....	88	-	88	105	4	109
Nova Scotia.....	2,530	65	2,595	2,150	174	2,324
New Brunswick.....	784	318	1,102	821	541	1,362
Quebec.....	3,510	1,262	4,772	3,536	1,807	5,343
Ontario.....	6,154	7,935	14,089	9,535	5,446	14,981
Manitoba.....	1,680	60	1,746	1,877	108	1,985
Saskatchewan.....	2,487	175	2,662	1,815	97	1,912
Alberta.....	4,447	77	4,524	1,545	1	1,546
British Columbia.....	1,853	123	1,976	1,350	1,875	3,225
Totals, Seven Months, 1932.....	23,533	10,021	33,554	22,734	10,053	32,787
Totals, Seven Months, 1931.....	28,899	14,009	42,908	29,251	13,254	42,505



The Montreal Stock Exchange—After a busy day.

*Courtesy, Montreal Stock Exchange.*

## Stock Markets

A subject often classified under the head of finance but akin to internal trade, inasmuch as it concerns a great trading market closely linked with the business organization of the country, is that of stock markets. The principal stock exchanges in Canada are located at Montreal and Toronto,



though those at other centres such as Winnipeg, Calgary and Vancouver are increasing in importance. In recent years there has been a huge increase in the volume of business transacted on the stock exchanges, due to the widespread participation of the general public in the "bull" market which extended from 1924 to 1929. Since 1929, however, trading has fallen away considerably, due to heavy losses, business depression and caution on the part of the investing public. July, August and September, 1932, sales figures showed an advance which, however, proved but temporary.

The extent of public participation in the stock market is illustrated by the table below showing the volume of sales on the Montreal Exchange.

**Numbers of Shares Traded on the Montreal Stock Exchange, by Months, January 1929 to November 1932**

Month	1929	1930	1931	1932	Month	1929	1930	1931	1932
Jan.....	4,173,257	988,789	377,241	125,089	July.....	928,841	308,399	245,845	283,953
Feb.....	2,037,891	830,534	706,607	136,387	Aug.....	2,103,138	558,387	169,400	544,528
March.....	2,167,613	1,133,969	605,896	180,070	Sept.....	1,854,675	817,409	437,503	506,926
April.....	1,117,430	1,601,764	477,053	187,313	Oct.....	3,609,402	1,350,604	308,888	206,902
May.....	1,287,879	1,088,587	851,426	204,522	Nov.....	2,077,720	466,807	431,758	193,693
June.....	766,813	1,389,170	528,093	176,041	Dec.....	1,088,757	532,593	125,308	-

*Security Prices, 1931 and 1932.*—The Bureau of Statistics publishes several series of index numbers designed to measure the movement of security prices in general and of important groups of stocks in particular, which constitute an important barometer of business conditions. The table below shows the course of the investors' index number for representative months in the years 1929, 1930, 1931 and 1932. Tables of the index numbers of traders' activities and of mining stocks by months during the same years are also given.

### Investors' Monthly Index Numbers of Common Stocks, 1929-32

(1926=100)

Year and Month	Banks	Utilities	Industrials	Total
1929 (representative months)—				
January.....	150.2	154.0	286.1	207.4
March.....	143.5	150.1	266.2	192.6
June.....	129.7	143.4	264.1	185.6
September.....	133.2	163.1	315.8	217.1
1930 (representative months)—				
January.....	120.3	133.3	209.1	155.7
April.....	118.6	143.7	220.9	160.5
August.....	113.3	116.0	153.1	125.1
December.....	108.2	104.7	120.3	103.1
1931 (representative months)—				
January.....	109.1	107.3	124.7	106.9
March.....	111.6	116.1	127.8	110.8
June.....	97.1	80.4	91.1	80.1
September.....	94.3	65.4	79.3	68.6
December.....	92.9	59.3	74.3	64.8
1932 (representative months)—				
January.....	90.3	59.1	73.7	64.8
March.....	86.0	59.8	71.5	64.1
June.....	60.5	34.9	48.8	43.2
September.....	76.1	56.9	73.8	63.0

Taking the prices of stocks in 1926 as equal to 100, the monthly index number of industrials reached its peak in September 1929, when it was 315.8, that is to say, industrials were on the average over three times the price prevailing in the base year 1926. In the same month the index for public utility stocks had risen to 163.1 and that for all common stocks to 217.1. November 1929 saw the index for industrials at 209.4, utilities at 130.9, and all stocks at 154.7. Throughout 1930 the trend was more gradually to lower levels with minor upward movements in April and September. This downward tendency was interrupted in the first two months of 1931, but in May the indexes for these groups fell below the 1926 figures and continued to fall until June, 1932. At that time, utilities touched 34.9, industrials 48.8, and all stocks 43.2. In the next three months, however, considerable recovery occurred and corresponding indexes for September were: utilities, 56.9, industrials, 73.8, and all stocks, 63.0.

**Traders' Index Numbers of the Prices of the Twenty-five Best Selling Industrial and Public Utility Common Stocks on the Montreal and Toronto Exchanges, January, 1929, to November, 1932.**

(1926=100)

NOTE.—The "Trader's Index" measures the trend of gains or losses for an "average" trader who buys and sells as a whole and turns over his investments every week.

Month	1929	1930	1931	1932	Month	1929	1930	1931	1932
Jan.....	1,039.5	828.9	609.8	402.8	July.....	1,032.1	768.6	493.4	306.6
Feb.....	1,125.8	804.3	680.2	400.8	Aug.....	1,170.1	731.3	470.7	408.0
March.....	1,057.3	898.6	714.3	413.6	Sept.....	1,230.4	778.4	394.5	470.6
April.....	982.4	1,010.9	621.5	304.2	Oct.....	1,125.8	618.1	360.6	393.6
May.....	955.1	821.2	495.2	251.2	Nov.....	769.2	612.7	448.5	377.9
June.....	908.0	821.3	464.8	251.0	Dec.....	786.7	596.5	390.7	-

**Index Numbers of Twenty Mining Stocks, by Months, 1929-32**

(1926=100)

Month	1929	1930	1931	1932	Month	1929	1930	1931	1932
Jan.....	125.7	78.9	68.5	59.7	July.....	109.6	68.7	68.6	55.6
Feb.....	123.7	86.1	73.3	57.3	Aug.....	114.8	68.0	67.8	59.7
Mar.....	120.3	85.2	77.1	57.8	Sept.....	104.8	68.7	63.1	60.9
April.....	112.7	83.3	82.3	52.4	Oct.....	90.1	61.3	59.5	57.5
May.....	108.9	76.3	75.9	48.4	Nov.....	75.7	60.5	64.6	60.9
June.....	103.9	73.1	69.1	48.3	Dec.....	74.5	59.2	59.0	-

In mining stocks the peak of the bull market was reached in October, 1927, when the index was 143.8 (prices in 1926=100). From that date it has sagged, with temporary rallies, until it reached the figure of 59.2 in December, 1930. In 1931 this index rose gradually to 82.3 in April, but dropped back to 59.0 in December, and by June, 1932, had fallen to 48.3. Subsequent recovery caused it to advance to 60.9 for November.

**Prices of Commodities**

Trade of all kinds is inseparably linked with price movements. Index numbers measuring the rise and fall of commodity prices are also an important indicator of business and of monetary conditions. The Dominion came into being at a time of falling prices but after 1870 prices rose.

From 1872 to 1897, however, there was an unprecedented fall, Canada experiencing a drop of 44·3 p.c., attributable to monetary factors, the great increase in production, and improved transportation facilities. From this point until 1913 prices again tended upward. It was a period of rapid and unprecedented prosperity almost the world over, and with the rising tide of trade, prices rose steeply. On the basis of 1913, the general price level in 1896 was 76·0; by 1912 it had risen to 99·5, a gain of over 23 points. In 1913 a slump developed until the Great War which resulted in a stupendous rise in commodity prices. With the end of the War came a momentary lull, but in 1919 and the early part of 1920 the post-war boom carried the level higher than ever. In May, 1920, the index number was 256·7. The reaction from the optimism which had hoped too much from an impoverished world, drove prices precipitately downward until in December, 1921, the index was 150·6. For the three years, 1922-24, it remained comparatively stable, but rose to 160·3 in 1925, falling to 156·2 in 1926.

Wholesale prices in 1926 were taken as the base of a new index number which in subsequent years fell to an average of 97·7 in 1927, 96·4 in 1928 and 95·6 in 1929. Thereafter in more rapid decline the index number receded to an average of 86·6 in 1930 and fell to 70·4 in December, 1931. The decline continued steadily throughout the first eleven months of 1932, the index being 64·8 for November.

#### New Index Numbers of Wholesale Prices, 1913-31<sup>1</sup> and January to November, 1932

(1926=100)

1913.....	64·0	1923.....	98·0	January.....	69·4
1914.....	65·5	1924.....	99·4	February.....	69·2
1915.....	70·4	1925.....	102·6	March.....	69·1
1916.....	84·3	1926.....	100·0	April.....	68·4
1917.....	114·3	1927.....	97·7	May.....	67·7
1918.....	127·4	1928.....	96·4	June.....	66·6
1919.....	134·0	1929.....	95·6	July.....	66·6
1920.....	155·9	1930.....	86·6	August.....	66·8
1921.....	110·0	1931.....	72·1	September.....	66·9
1922.....	97·3	December.....	70·4	October.....	65·0
				November.....	64·8

<sup>1</sup> 236 commodities to 1926, thereafter 502.

<sup>2</sup> Preliminary figures.

### Cost of Living

Statistics of cost of living constitute a very important phase of price statistics. Index numbers of retail prices, rents, and costs of services issued by the Bureau of Statistics are constructed from a general point of view, having for their object the measurement of the general movement of such prices and costs in the Dominion as a whole, and being so calculated as to make comparisons possible with other general index numbers constructed on similar principles, as, for example, the index of wholesale prices. Calculated as they are on the aggregative principle, *i.e.*, the total consumption of each commodity, the Bureau's index numbers afford an excellent measurement of changes in the average cost of living in the Dominion as distinguished from that of any particular class or section.

The Bureau's index numbers of the cost of living are designed to show changes relating to average conditions. On the basis of 1926=100, the

total index was 65.4 for the year 1913, 124.2 in 1920, 98.9 in 1928 and 99.9 in 1929. The latter part of 1929 was marked by a slight increase over the average for the year, a tendency which was still further apparent in the first month of 1930, when the total index reached 102.1 compared with 99.2 for the year 1930. From that time it has declined steadily and in July, 1931, registered 88.6. In August there was a slight upturn but thereafter the decline continued into 1932. Usual seasonal influences affecting food prices, caused a temporary rise again in August, 1932, but other groups, except fuel, showed no improvement. September group index numbers were as follows: foods, 63.0, fuel, 91.7, rent, 93.9, clothing, 71.9, and miscellaneous, 96.7. These numbers indicate persistence of the lag in rents and services costs, behind the decline in retail prices of commodities.

**Index Numbers of Retail Prices, Rents and Costs of Services, 1927-31,  
and by Months, January to November 1932**

(Average prices in 1926=100)

Year	Total Index	Food Index	Fuel Index	Rent Index	Clothing Index	Sundries Index
1927.....	98.4	98.1	97.9	98.8	97.5	99.1
1928.....	98.9	98.6	96.9	101.2	97.4	98.8
1929.....	99.9	101.0	96.4	103.3	96.9	99.0
1930.....	99.2	98.6	95.7	105.9	93.9	99.4
1931.....	89.6	77.3	94.5	103.0	82.2	97.4
1932 <sup>1</sup> —						
January.....	85.4	69.6	93.9	99.3	76.4	97.1
February.....	84.4	66.5	93.8	99.3	76.4	97.1
March.....	83.9	66.0	93.6	99.3	74.5	96.8
April.....	83.7	65.4	92.8	99.3	74.5	97.0
May.....	81.8	62.9	91.0	93.9	74.5	97.1
June.....	81.0	62.1	90.9	93.9	71.9	96.9
July.....	80.8	61.4	90.7	93.9	71.9	96.8
August.....	81.5	63.5	91.9	93.9	71.9	96.8
September.....	81.3	63.0	91.7	93.9	71.9	96.7
October.....	80.4	63.6	93.7	90.0	70.7	96.6
November.....	80.4	63.9	90.4	90.0	70.7	96.6

<sup>1</sup> Preliminary figures.

Apart from the "Sundries" index, the index for fuel has shown the least change in the period covered by the table. The downward trend of fuel prices has been small but on the whole very steady. The rent index for November, 1932, is nearly 9 points below the 1927 level and nearly 16 points below the maximum of 105.9 reached in 1930.



## CHAPTER XV

### PUBLIC FINANCE

#### Dominion Finance

Among the powers conferred on the Dominion Government by the British North America Act were: the right to deal with the public debt and property; the right to raise money by any system of taxation (the provinces were limited to direct taxation); and the borrowing of money on the credit of the Dominion. The Department of Finance was established in 1869 to have "supervision, control and direction of all matters relating to financial affairs, public accounts, and revenue and expenditure of the Dominion".

At Confederation the revenues, notably the customs and excise duties which had previously accrued to the treasuries of the provinces, were transferred to the Dominion and combined into a consolidated revenue fund against which certain specific charges such as cost of collection, interest on public debt, and salary of the Governor General were made. The remainder of the fund was appropriated by Parliament. The public works, cash assets and other property of the provinces, except lands, mines, minerals and royalties, also became Dominion property. In its turn the Dominion became responsible for the debts of the provinces.

Since the main source of the revenues of the provinces was now taken over the Dominion undertook to pay annual subsidies to the provinces for the support of their governments and legislatures. With the growth of the Dominion, the principle of subsidy payments has been extended to the western provinces and from time to time adjustments have been made in the moneys so paid.

At the time of the formation of the Dominion, the revenue collections were comparatively small but obligations shouldered by the central government provided for completion of the Intercolonial Railway and, with the entry of British Columbia, for the construction of the Canadian Pacific Railway; early in the present century the National Transcontinental was undertaken. Indeed the single item of railways and canals accounted for almost the entire increase in the net national debt of from \$76,000,000 in 1868 to \$336,000,000 in 1914. To a very great extent therefore, the national debt down to the Great War represented expenditures for productive purposes and tangible assets were acquired by the Dominion therefor. Moreover this debt was largely held outside Canada. The following decade witnessed the tremendous increase in the debt from \$336,000,000 to a maximum of \$2,453,777,000 in 1923—an increase of over two billions of dollars not represented, in the main, by corresponding assets and upon which interest charges were relatively high. One redeeming feature was that the major portion of this debt was now held within the country, for the abnormal prosperity induced by the War provided Canadians with the funds to invest in Government issues and the added desire of the Government to tap the rapidly accumulating resources of the masses was instrumental in instructing the man-in-the-street how to invest his money in bonds.

In addition to the increased interest payments due to the piling up of war debt, another reason for increased expenditures has been our rapidly changing ideas of the functions of government. The growing complexity of our national life has called for the establishment of services undreamed of even a quarter of a century ago.

The growth of the Dominion revenue, the Dominion expenditure, and the net public debt is briefly outlined in the following table:—

**Dominion Finances, 1868-1932**

Fiscal Year	Revenue Receipts	Per capita Receipts <sup>1</sup>	Total Expenditure	Per capita Expenditure <sup>2</sup>	Net Debt at end of Year	Net Debt per capita <sup>3</sup>
	\$	\$	\$	\$	\$	\$
1868.....	13,687,928	4-05	14,071,689	4-17	75,757,135	22-47
1871.....	19,335,561	5-55	19,293,478	5-53	77,700,518	22-09
1881.....	29,635,298	6-85	33,796,643	7-82	155,395,780	35-82
1891.....	38,579,311	7-98	40,793,208	8-44	237,809,031	49-00
1901.....	52,514,701	9-78	57,982,866	10-79	268,480,004	49-69
1911.....	117,780,409	16-34	122,861,250	17-04	340,042,052	47-18
1921.....	434,386,573 <sup>1</sup>	49-64	528,302,513 <sup>2</sup>	60-11	2,340,878,084 <sup>3</sup>	260-36
1926.....	380,745,506 <sup>1</sup>	40-28	355,186,423 <sup>2</sup>	37-59	2,389,731,099	252-88
1927.....	398,695,776 <sup>1</sup>	41-38	358,556,751 <sup>2</sup>	37-21	2,347,834,370	243-68
1928.....	422,717,983 <sup>1</sup>	42-88	378,658,440 <sup>2</sup>	38-50	2,296,850,233	233-59
1929.....	455,463,874 <sup>1</sup>	45-41	388,805,953 <sup>2</sup>	38-78	2,225,504,705	221-95
1930.....	441,411,806 <sup>1</sup>	44-03	398,176,246 <sup>2</sup>	39-01	2,177,763,959	213-38
1931.....	349,587,299 <sup>1</sup>	33-70	440,008,855 <sup>2</sup>	42-41	2,261,611,937	218-00
1932.....	329,709,056 <sup>1</sup>	31-38	450,971,393 <sup>2</sup>	42-02	2,375,846,172	226-14

<sup>1</sup>Exclusive of special receipts of \$1,905,648 in 1921, \$2,147,503 in 1926, \$1,756,704 in 1927, \$6,924,594 in 1928, \$4,687,607 in 1929, \$4,505,186 in 1930, \$6,622,060 in 1931 and \$7,028,101 in 1932.

<sup>2</sup>Includes advances to railways, Canadian Government Merchant Marine, etc., of \$110,662,655 in 1921, \$11,205,910 in 1926, \$11,569,413 in 1927, \$18,493,509 in 1928, \$13,646,000 in 1929, \$8,259,905 in 1930, \$5,487,399 in 1931 and \$3,112,274 in 1932.

<sup>3</sup>The net debt of Canada reached a maximum, for any fiscal year, at March 31, 1923, when it was \$2,453,776,869.

<sup>4</sup>Per capita figures for census years are based upon census populations and for intervening years on revised official estimates.

*Fiscal Years 1930-31 and 1931-32.*—The difficulties and problems which have faced the Government in financing the nation during the trying years 1931 and 1932 were dealt with comprehensively by the Rt. Hon. R. B. Bennett, Prime Minister and Minister of Finance, in his Budget Speech to Parliament on June 1, 1931, and by the Hon. E. N. Rhodes, Minister of Finance, in the Budget Speech of April 6, 1932.

The declining revenues since 1929, due largely to declining prices and declining world trade, have necessitated a heavy increase in taxation, which has borne hard on the nation, as on all other nations throughout the world. World events following the crisis in Central Europe in 1931 resulted in an effort to stem the tide by international action. The reparations and war debts question was considered and the one-year moratorium granted by the United States gave, at least temporarily, a certain amount of relief. The subsequent repatriation of international credits on a large scale, due to continued lack of confidence, forced Great Britain off the gold standard in September, 1931, and immediately thereafter many other countries followed her lead. The resulting fall of foreign exchanges and the dumping of securities demoralized the investment markets.

In the difficult six months following the departure of Great Britain from the gold standard, the Dominion, the provinces, municipalities and semi-public bodies, not to speak of corporations and private individuals, had about \$72,000,000 of debt maturing in New York or London and in addition \$80,000,000 of external interest charges had to be provided. From the outset, the policy of the Government has been: to ensure prompt payment of all obligations due abroad according to contract; and to assist in maintaining normal currency and credit conditions within Canada. This policy was successfully carried out.

The Government first took steps to improve the position in the New York market by negotiating a Canadian National Railway issue of \$50,000,000 government guaranteed bonds to meet maturing short-term credits borrowed in that market. The operation proved fairly successful. The next step taken was the purchase of the gold production of the larger Canadian mines and the use of the gold to meet maturing obligations abroad. Exports of gold were allowed only under licence after October 1931, so that the redemption rights under the Dominion Notes Act were maintained yet the internal situation was kept in control. The result has been that all obligations of Canada abroad have been faithfully met when due, and the national credit has been maintained on a high level. On December 16, 1931, the Canadian dollar was at a discount of  $2\frac{1}{2}$  p.c. in New York. At December 16, 1932, the discount was 12½ p.c.

Notwithstanding the severity of the depression and the financial unsettlement in many parts of the world, the credit of the Dominion has been maintained in high regard. Two successful financial operations on the part of the Dominion Government contributed greatly to this result. In May, 1931, a conversion of war loan bonds maturing in the years 1931 to 1934 was achieved, whereby holders of \$638,600,000 of bonds accepted new long term securities. The success of this conversion was most advantageous, disposing as it did under favourable conditions of 60 p.c. of the refunding of imminent war debt maturities, as well as in effecting, by 1934, a saving of \$6,100,000 in annual interest charges. In November, 1931, Canadian investors were offered \$150,000,000 of 5 p.c. National Service Loan bonds. About 109,000 subscriptions were received and the amount of the loan was raised to \$221,000,000. An underwriting by the banks was not required. The success of this loan reflected the stability of Canadian financial conditions and the confidence of its people.

An issue of \$60,000,000 one-year 4 p.c. gold notes was marketed in New York on Sept. 28, 1932, proceeds being used to meet maturing short-term obligations negotiated by the Canadian National Railways. The issue was immediately over-subscribed, reflecting faith in the high standard of Canadian securities and the Dominion's ability to meet her obligations.

On October 31, 1932, a new loan of \$80,000,000 was floated divided into two issues: one of \$25,000,000 for three years netting the investor 4·28 p.c. and the other for \$55,000,000 for twenty years at 93·45 netting the investor 4·51 p.c. The proceeds of the loan were required partly for refunding a previous issue of \$34,500,000 and partly for advances to the Canadian National Railways. The short-term portion of the issue was over-subscribed four times within a few hours of the opening of the lists and the twenty-year portion was fully subscribed within the time limit set by the Department of Finance.

*The Public Accounts.*—In the Public Accounts receipts are classified under two headings—receipts from taxation, and non-tax revenue resulting from public services maintained by the Government. Expenditures are classified under four headings: (1) Ordinary expenditures, which include the costs of government, pensions, subsidies to the provinces, unemployment relief, etc.; (2) Capital expenditures on account of railways, canals and public works, for which corresponding assets are acquired; (3) Special expenditures; and (4) Non-active loans and advances which are not interest-producing but are required in part to meet deficits of services for which the Government accepts responsibility.

Total receipts from taxation for the year 1931-32 amounted to \$275,054,000 as compared with \$296,276,000 in the previous fiscal year, \$378,551,000 for 1929-30 and \$395,921,000 in 1928-29. Details of these receipts are:—

#### Receipts from Taxation, fiscal years 1929-32

Item	1928-29	1929-30	1930-31	1931-32
	\$000	\$000	\$000	\$000
Customs.....	187,206	179,430	131,209	104,133
Excise.....	63,685	65,036	57,747	48,656
War Tax Revenue—				
Banks.....	1,243	1,408	1,429	1,390
Trust and Loan Co's.....	8	—	—	—
Insurance Co's.....	895	74	74	12
Business Profits.....	455	173	34	3
Income Tax.....	59,422	69,021	71,048	61,264
Sales Tax.....	63,046	44,859	20,784	47,375
Tax on cheques, transportation tax, etc....	19,361	18,550	13,951	12,232
Totals, Receipts from Taxation.....	395,921	378,551	296,276	275,054

Non-tax revenues yielded \$61,683,157 compared with \$53,310,842 for the previous year, \$62,860,180 for 1929-30 and \$59,543,000 for 1928-29. Three-fifths of the non-tax revenue was collected by the Post Office Department. Special receipts and credits amounted to \$7,028,000. Total receipts were therefore \$336,737,157 in the fiscal year 1931-32.

Ordinary expenditures were \$375,403,344, including \$121,151,106 interest on debt; \$13,694,970 subsidies to the provinces; \$48,686,389 war pensions, not including \$11,154,426 for treatment and after care of returned soldiers; \$34,448,986 for the Post Office and \$16,099,739 for Public Works.

Capital expenditures of \$16,979,788 were made during the year; special expenditure amounted to \$55,475,986, the chief items being the wheat bonus and unemployed relief (see index); and loans and advances, non-active, to the extent of \$3,112,275, were made chiefly to the Quebec Harbour Commission and the Canadian National Steamships. Total expenditures were thus \$450,971,393 and the deficit for the year was \$114,234,236, as compared with a deficit of \$83,847,978 for the previous year.

A summary review of the financial situation of the Dominion as at March 31, 1932, is given in the balance sheet which follows:—



## Balance Sheet of the Dominion of Canada, as at Mar. 31, 1932

(From the Public Accounts)

<b>ACTIVE ASSETS—</b>	
Cash on hand and in Banks.....	\$ 57,352,841
Specie Reserve.....	64,660,002
Advances to Provinces, Banks, etc.....	173,183,733
Advances to Foreign Governments.....	30,494,720
Soldier and General Land Settlement Loans.....	47,804,080
Miscellaneous Current Accounts.....	82,401,415
Total Active Assets.....	\$ 455,897,391
Balance being Net Debt, Mar. 31, 1932 (exclusive of interest accrued and outstanding carried forward).....	2,375,846,172
	<u>\$ 2,831,743,563</u>
<b>LIABILITIES—</b>	
Dominion Notes in Circulation.....	\$ 157,388,180
Bank Note Circulation Redemption Fund.....	6,811,792
Post Office Account, Money Orders, Postal Notes, etc., outstanding.....	3,448,855
Savings Bank Deposits.....	23,919,677
Insurance and Superannuation Funds.....	90,147,427
Trust Funds.....	18,752,801
Contingent Funds.....	1,923,062
Province Accounts.....	9,623,817
Temporary Loan, New York.....	15,000,000
Funded Debt.....	2,502,859,761
Interest Due and Outstanding.....	1,868,191
	<u>\$ 2,831,743,563</u>

<sup>1</sup>There are also indirect liabilities, mainly for loans negotiated by railways amounting at Mar. 31, 1932, to \$842,473,216 guaranteed as to principal and interest and \$216,207,142 as to interest only.

<sup>2</sup>Of the Funded Debt \$2,012,210,212 was payable in Canada, \$249,677,849 in London, and \$240,971,700 in New York.

*Recent Changes in Dominion Taxation.*—The necessity for increased revenues, made clear by the 1931 Budget, was met by an immediate increase in the sales tax to 4 p.c., effective June 2, 1931, its general application being left unchanged. A general excise tax of 1 p.c., effective on the same date, was imposed on imported goods. Parliament also revised the customs tariff, imposing increased duties on imported manufactured products with a view to encouraging Canadian industries and relieving unemployment. The Customs Act and the Tariff Act were amended to prevent unfair competition and the dumping of goods in Canada. The income tax was readjusted so that a greater burden fell upon a wider class of the well-to-do.

In the Budget of April, 1932, the income tax was raised to 11 p.c., on corporations and joint stock companies. In the case of personal incomes, the deduction of 20 p.c. formerly allowed from the tax payable under the established schedule of rates was repealed; a surcharge of 5 p.c. was made on net incomes of over \$5,000 and the exemptions were reduced from \$3,000 to \$2,400, and from \$1,500 for single persons to \$1,200. These changes applied to 1931 incomes.

The sales tax was increased by 2 p.c. to 6 p.c., and the special excise tax on goods imported into Canada was raised from 1 p.c. to 3 p.c. The stamp tax on cheques, promissory notes, money orders, etc., was increased from 2 cents for each instrument over \$5, to 3 cents on amounts between \$5 and \$100, and 6 cents over \$100. Sleeping car tickets were taxed 10 p.c. (minimum 25 cents) and parlour car tickets 10 cents flat; there were also changes in the tax rates of cable and telegraphic messages and

in the stock and bond transfer tax. No important tariff changes were made in view of arrangements for the Imperial Economic Conference in July, 1932. The tariff changes resulting from the Imperial Conference and enacted at the Fourth Session of the 17th Parliament which opened on Oct. 6, are dealt with on pp. 39 to 44.

## Provincial and Municipal Finance

### Provincial Finance

Provincial Governments in Canada are in the position, under section 118 of the British North America Act, 1867 (30 and 31 Vict., c. 3), and the British North America Act, 1907 (7 Edw. VII, c. 11), of having a considerable assured income in subsidies from the Dominion Treasury. In addition, through the ownership of their lands, minerals and other natural resources, the provinces are in a position to raise considerable revenues through land sales, sales of timber, mining royalties, leases of water-powers, etc. Further, under section 92 of the British North America Act, Provincial Legislatures are given authority to impose direct taxation within the province for provincial purposes and to borrow money on the sole credit of the province.

Among the chief methods of taxation to be employed has been the taxation of corporations and estates. Prominent among the objects of increased expenditure are education, public buildings, public works (especially roads and highways), labour protection, charities, hospitals and places of correction.

*The Growth of Provincial Taxation.*—Whereas in earlier years the Dominion subsidies, together with the revenues arising out of the natural resources of the provinces and from fees for specific services rendered to the citizens, nearly sufficed to cover the whole expense of government and rendered a resort to taxation for provincial purposes practically unnecessary in most of the provinces, the great increase in the functions of government since the commencement of the present century has put an end to this state of affairs. Provincial taxation has increased from \$15,003,526 in 1916 to \$109,165,948 in 1929, \$126,147,195 in 1930 and \$124,679,131 in 1931.

The increase in the use of automobiles, both for commercial purposes and pleasure, is clearly demonstrated by the growing revenues from licences and permits issued by the Provincial Governments. In 1921 the total revenue of all provinces from automobile licensing amounted to \$7,857,751. It had increased to \$13,020,607 by 1925 and in 1931 reached \$19,952,575. The growth of revenue from the gasoline tax still further demonstrates the increasing use of motor vehicles. In 1923 Manitoba and Alberta were the only provinces showing a gasoline-tax revenue, the total being \$280,404. In 1926 all provinces, except Saskatchewan, collected gasoline taxes which amounted to \$6,104,716. In 1931 all provinces collected \$23,859,067.

The provincial revenues from the liquor traffic have increased considerably of late years. The adoption of government control of the sale of liquor in the majority of the provinces, has resulted in trading profits, licensing revenues, and permit fees, all of which have swelled the provincial revenues. Prior to the adoption of government control such revenues were not available to the provinces. In 1925 the total revenue

collected by all provinces from the liquor traffic was \$8,964,824. By 1928 it amounted to \$22,755,212, in 1929 to \$27,599,687, 1930 to \$33,248,056 and 1931 to \$32,128,693.

*Bonded Indebtedness of the Provinces.*—The bonded indebtedness of the provinces amounts to about four-fifths of their total direct liabilities. In recent years, the aggregate bonded indebtedness of the provinces has steadily increased. The total for the nine provinces was \$708,900,342 in 1925, \$715,489,427 in 1926, \$757,168,785 in 1927, \$779,155,374 in 1928, \$819,517,036 in 1929, \$919,142,905 in 1930 and \$1,016,647,165 in 1931. This bonded indebtedness for 1931 was divided by provinces as follows: P.E.I., \$2,104,000; N.S., \$60,325,613; N.B., \$45,858,996; Que., \$84,235,292; Ont., \$455,375,344; Man., \$81,381,906; Sask., \$85,141,205; Alta., \$106,866,573; B.C., \$95,358,236. The development of the principle of public ownership is largely responsible for the high bonded indebtedness in certain provinces, particularly in Ontario where the hydro-electric system and the provincially-owned Temiskaming and Northern Ontario Railway largely account for the bonded indebtedness of the province. The larger of these public utilities, the hydro-electric system, is, however, meeting from its revenues the interest on the indebtedness incurred in its construction.

The expansion in the ordinary revenues and expenditures and the increases in direct liabilities of all Provincial Governments are shown for the years 1873-1931 and by individual provinces for 1931 below:—

**Aggregate Provincial Revenues and Expenditures, 1873-1931, and by Provinces, 1931**

Fiscal Year Ended—	Ordinary Revenue	Ordinary Expenditure	Direct Liabilities
	\$	\$	\$
1873	6,090,922	6,868,884	—
1881	7,858,698	8,119,701	—
1890	10,693,815	11,628,333	—
1901	14,074,991	14,146,059	—
1911	40,706,948	38,144,511	128,302,848
1921	102,030,458	102,569,515	565,470,552
1926	146,450,904	144,183,178	893,499,812
1927	156,845,780	152,211,883	915,237,988
1928	168,109,505	165,538,910	963,169,888
1929	183,598,024	177,542,192	1,034,071,204
1930	188,154,910	184,804,203	1,140,953,696
1931	179,143,480	190,754,202	1,276,629,288
Prince Edward Island	1,143,570	1,453,191	3,875,593
Nova Scotia	8,101,602	8,194,592	66,314,896
New Brunswick	5,980,914	6,761,420	67,942,954
Quebec	41,630,020	40,854,245	113,006,985
Ontario	54,390,092	54,846,994	524,347,168
Manitoba	13,842,511	14,491,673	112,214,653
Saskatchewan	14,346,010	18,202,677	102,575,953
Alberta	15,710,962	18,017,544	142,248,524
British Columbia	23,988,199	27,531,866	144,102,562

1 Statistics for the Province of Saskatchewan are for 1913

### Municipal Finance

Under the provisions of the British North America Act, the municipalities are the creations of the Provincial Governments. Their organization and their powers differ in different provinces, but almost everywhere they have very considerable powers of local self-government. If we include the local government districts of Saskatchewan and Alberta,

there are over 4,200 municipal governments in Canada. These 4,200 municipal governments have together probably 20,000 members described as mayors, reeves, controllers, councillors, etc., the experience training them for the wider duties of public life in the Dominion and in the provinces. Certain of the larger municipalities, indeed, are larger spenders of public money than are some of the provinces.

The cost of municipal government, like the cost of provincial and Dominion government, has greatly increased since the pre-war period, principally due to the increased services demanded from municipal bodies. Among such public services which play a large part in municipal expenditures may be mentioned education, roads and highways, sanitation, fire and police protection, and charities and social relief. Thus the aggregate taxes imposed by the municipalities of Ontario increased from \$34,231,214 in 1913 to \$122,730,972 in 1930. In Quebec the aggregate ordinary expenditures of the municipalities increased from \$19,478,740 in 1914 to \$45,622,390 in 1930. In Manitoba, again, municipal taxation has increased from \$9,449,000 in 1914 to \$19,322,697 in 1930, in Saskatchewan from \$13,359,000 in 1914 to \$29,609,893 in 1930, in Alberta from \$8,794,000 in 1915 to \$14,887,673 in 1930, and in British Columbia the tax receipts amounted to \$8,698,820 in 1914, while the tax levy amounted to \$19,485,906 in 1930. The tax receipts of the municipalities of Nova Scotia were \$6,472,561 in 1930 as compared with \$3,390,000 as recently as 1919.

*Municipal System of Taxation.*—Throughout the Dominion, the chief basis of municipal tax revenue is the real estate within the limits of the municipalities; though in certain provinces personal property, income, and business carried on are also taxed. General taxes are normally assessed at the rate of so many mills on the dollar of the assessed valuations. In the Prairie Provinces the values of improvements made to real property are often rated at a very low figure, *e.g.*, in Saskatchewan, where the taxable valuations of buildings are about 12 p.c. of the taxable valuations of lands, and in Alberta, where they are about 23 p.c. of the taxable valuations of lands. Land valuations in the West, which in earlier years were somewhat inflated, have of late been assessed on a sounder basis, and in some provinces the Equalization Boards have placed a more equitable valuation on lands as among the various rural municipalities.

*Bonded Indebtedness of Municipalities.*—Like other Canadian governing bodies, the municipalities of the greater part of Canada borrowed rather too freely during the years between 1917 and 1930. The bonded indebtedness of Ontario municipalities rose from \$153,568,409 in 1913 to \$485,280,182 in 1930, while that of Quebec municipalities increased from \$132,078,584 in 1914 to \$323,395,745 in 1930, and a proportionate increase took place in other provinces. There was an increase for 1930 over 1929 for the municipalities in each of the provinces with the exception of New Brunswick and Manitoba. Total bonded indebtedness for all municipalities throughout Canada equalled \$1,209,645,181 for 1930 as compared with \$1,135,022,889 in 1929. British Columbia ranks third after Ontario and Quebec with \$125,832,088, and these three provinces have over 77 p.c. of the municipal bonded debt of Canada.



## CHAPTER XVI

### CURRENCY AND BANKING—INSURANCE—LOAN AND TRUST COMPANIES—MISCELLANEOUS

#### Currency and Banking

Early trade in Canada was carried on by barter. Beads, blankets, beaver and other furs, tobacco and wheat have been at various times used as substitutes for currency. Further, under the French *régime* playing cards stamped with a value and redeemable yearly on the receipt of bills

#### THREE OF CANADA'S FINANCIAL INSTITUTIONS

*Head Office of the Bank of Montreal  
Montreal*

*Royal Bank Building to right*



*Bank of Nova Scotia, Toronto  
The General Managers' Offices  
are located here*

*First Unit of Canadian Life Insurance  
Company's Head Office Building  
Toronto*

*Opposite Hotel St. James to right*



of exchange on Paris, came into circulation. In the early years of the British period, the Spanish dollar and the English shilling were the chief mediums of exchange, together with such paper money as the army bills issued by the Government for supplies during the war of 1812. In 1853 a measure was passed providing for the adoption of decimal currency with a dollar equivalent to the American dollar, and from January 1, 1858, the accounts of the province of Canada were kept in terms of dollars. The use of the dollar as a monetary unit was extended throughout the Dominion by the Uniform Currency Act of 1871.

The Canadian gold dollar weighs 25.8 grains, nine-tenths fine gold, and thus contain 23.22 grains of gold. Five-dollar and ten-dollar Canadian gold pieces have been coined at the Royal Canadian Mint,<sup>1</sup> at Ottawa, to a limited extent but, in the main, the currency of Canada is in the form of silver, nickel and bronze token currency for fractional parts of a dollar and Dominion notes and bank notes for multiples of a dollar.

*Dominion Notes.*—Under the Dominion Notes Act, 1914, the Dominion Government is authorized to issue notes up to \$50,000,000 against a gold reserve of \$12,500,000. In 1915 the Government was authorized to issue notes up to \$26,000,000 against \$16,000,000 of specified securities guaranteed by the Government but without any gold reserve. Notes may be issued to any amount above this total of \$76,000,000, but ordinarily an amount of gold equal to the excess must be held. Canadian gold reserves consist of a combination of bullion, Canadian, United Kingdom and United States coin. The issue of Dominion notes in one-dollar, two-dollar, four-dollar, five-dollar and fractional units, also in larger notes of from fifty to five thousand dollars (and in late years fifty thousand dollars) increased very rapidly during the war period, reaching a maximum in June, 1919, when notes to the value of \$300,750,000 were in circulation. There has since been a considerable decline corresponding to the reduction in prices, and the notes in circulation at Aug. 31, 1932, were \$154,160,147. About 69 p.c. of these Dominion notes were in the hands of the banks as reserves. Dominion notes are legal tender everywhere in Canada except at the offices which the Government maintains for their redemption. During the war period this redemption was suspended but gold payment was resumed on July 1, 1926.

Despite the sympathetic decline of the Canadian dollar on the gold exchanges following the suspension of gold payment by Great Britain on Sept. 21, 1931, the redemption rights under the Dominion Notes Act have been technically maintained; at the same time gold has been conserved for the meeting of external obligations by permitting export of gold only under licence.

*Bank Notes.*—As already stated, Canadians early became accustomed to the free circulation of paper money, and practically all Canadian banks at their beginning have made the issue of bank notes their chief means of earning profits.

Under the Bank Act the banks may issue notes of the denominations of \$5 and multiples thereof to the amount of their paid-up capital, but during the period of crop movement an "excess" circulation is permitted to the extent of 15 p.c. of their combined capital and reserve fund, provided the banks pay 5 p.c. interest on such excess circulation. In case of

<sup>1</sup>The administration of the Mint, formerly known as the Canadian Branch of the Royal Mint, was taken over by the Canadian Government, as from Dec. 1, 1931.

insolvency, bank notes are a first lien on assets and for over forty years no note holder has lost a dollar. In normal times they are not legal tender. The circulation of bank notes has proceeded on somewhat parallel lines with that of Dominion notes, as is shown by the following table:—

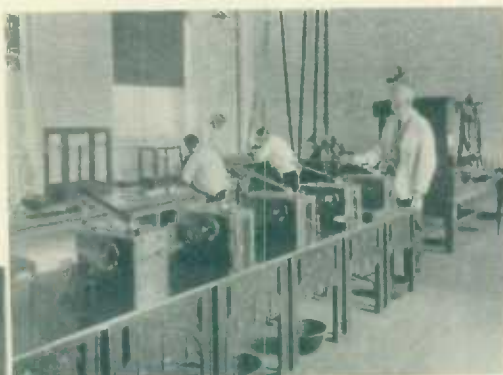
**Note Circulation 1870-1932**

Year	Dominion Note Circulation (averages for the year)	Bank Note Circulation (averages for the year)	Year	Dominion Note Circulation (averages for the year)	Bank Note Circulation (averages for the year)
	\$	\$		\$	\$
1870.....	7,294,103 <sup>1</sup>	15,149,031	1926.....	190,004,824	168,885,995
1880.....	13,403,958 <sup>1</sup>	22,529,623	1927.....	184,898,003	172,100,763
1890.....	15,501,360	32,834,511	1928.....	201,171,816	176,716,979
1900.....	26,550,465	46,574,780	1929.....	204,381,409	178,291,030
1910.....	89,628,569	82,120,303	1930.....	174,616,019	159,341,085
1915.....	159,080,607	105,137,092	1931.....	153,079,362	141,969,350
1920.....	305,806,288	288,800,379	1932 <sup>2</sup> .....	159,911,632	133,426,857

<sup>1</sup> Circulation on June 30.    <sup>2</sup> Averages for nine months.

**Banking.**—The Canadian Banking System, which may be described as “a decentralized system of relatively large joint stock, commercial and industrial banks, privately owned and managed, but working under a uniform law and subject to the supervision of the Dominion Government.

**Coining Canadian Currency at the Royal Canadian Mint.**—Each step of the process is carefully supervised. The illustration shows machines used for testing the coins individually and balances for weighing them.



Assaying Furnaces at the Royal Canadian Mint, Ottawa.

*Courtesy Canadian Government Motion Picture Bureau*

with the banks kept in competition with each other by the power to organize branches freely", is quite unlike that existing in England and most European countries, where a strong central bank stands in close relation to the Government Treasury, and unlike that of the United States where a system of regional centralization prevails. The Canadian Banking System is a product of evolution, having grown up gradually with changes made from time to time as experience directed. Its most distinctive feature, the branch bank system, is well adapted to the needs of a country of wide area and small population, especially to the requirements of the grain and cattle trade of the west, since it forms within itself a ready method of shifting funds from one part of the country to another and from one industry to another as the occasion may demand and ensures fairly uniform rates over wide areas. The number of chartered banks which was 36 in 1881, and 34 in 1901, decreased to 25 in 1913, and to only 10 in 1931. This lessening of the number of banks has been accompanied by a great increase in the number of branches. In 1868 there were only 123 branch banks in Canada. In 1902 the number had grown to 747, in 1916 to 3,198, and at the beginning of 1932 to 3,506. From 1867 to Sept. 1932, the total assets have grown from \$78,000,000 to \$2,798,935,182.

In recent years the banks of Canada have extended their business outside of the country itself and at the beginning of 1932 had among them 176 branches in foreign countries, mainly in Newfoundland, the British and foreign West Indies, Central and South America, and in the great centres of international finance, London, Paris and New York.

The number of branches, assets, liabilities, loans and deposits of the Canadian chartered banks as at Sept. 30, 1932, by banks, together with totals (yearly averages) for 1900, 1910, 1920, 1930 and 1931, are shown in the table below:—

**Statistics of Chartered Banks as at Sept. 30, 1932, with totals 1900-31**

Bank	Branches in Canada and Abroad	Total Assets	Liabilities to Shareholders	Liabilities to the Public	Total Liabilities	Loans and Discounts	Deposits by the Public
	No.	\$ 000,000	\$ 000,000	\$ 000,000	\$ 000,000	\$ 000,000	\$ 000,000
Bank of Montreal.....	605 <sup>4</sup>	731	74	654	728	331	598
Bank of Nova Scotia.....	330 <sup>4</sup>	260	36	223	259	138	200
Bank of Toronto.....	191 <sup>4</sup>	106	15	90	105	54	81
Banque Provinciale du Canada	141 <sup>4</sup>	47	5	41	40	23	37
Canadian Bank of Commerce	720 <sup>4</sup>	549	80	469	545	309	433
Royal Bank of Canada.....	881 <sup>4</sup>	719	70	642	712	442	560
Dominion Bank.....	138 <sup>4</sup>	116	16	99	115	68	87
Banque Canadienne Nationale	272 <sup>4</sup>	137	14	121	135	83	100
Imperial Bank of Canada.....	226 <sup>4</sup>	127	15	111	120	74	97
Barclay's Bank (Canada) <sup>1</sup> .....	2 <sup>4</sup>	7	1	6	7	2	2
Totals (Sept. 1932).....	-	2,799	306	2,472	2,778	1,524	2,196
Totals, 1931 <sup>2</sup> .....	3,506	3,066	307	2,742	3,048	1,764	2,423
Totals, 1930 <sup>2</sup> .....	3,598	3,237	305	2,910	3,215	2,065	2,517
Totals, 1920 <sup>2</sup> .....	4,876	3,064	252	2,784	3,036	1,935	2,439
Totals, 1910 <sup>2</sup> .....	2,621 <sup>2</sup>	1,211	179	1,019	1,198	870	910
Totals, 1900 <sup>2</sup> .....	641	460	98	356	454	279	305

<sup>1</sup>Barclay's Bank commenced operations in Canada in September, 1929.

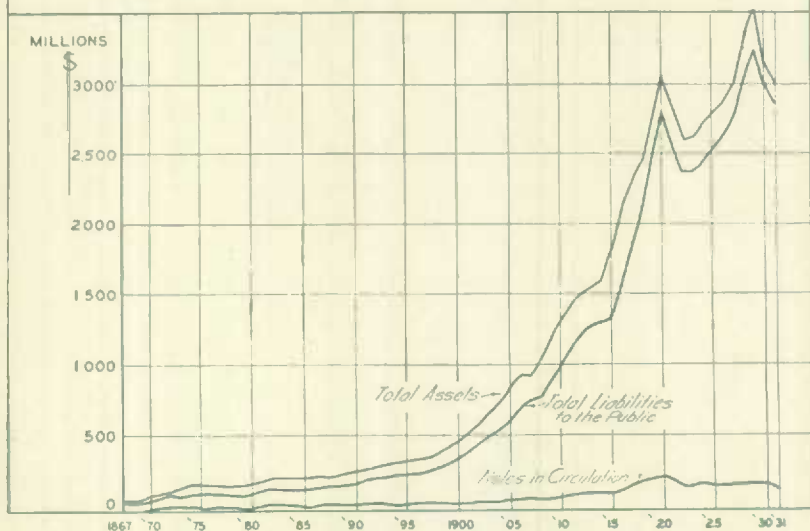
<sup>2</sup>1911.

<sup>3</sup>Totals are averages from the respective twelve monthly statements.

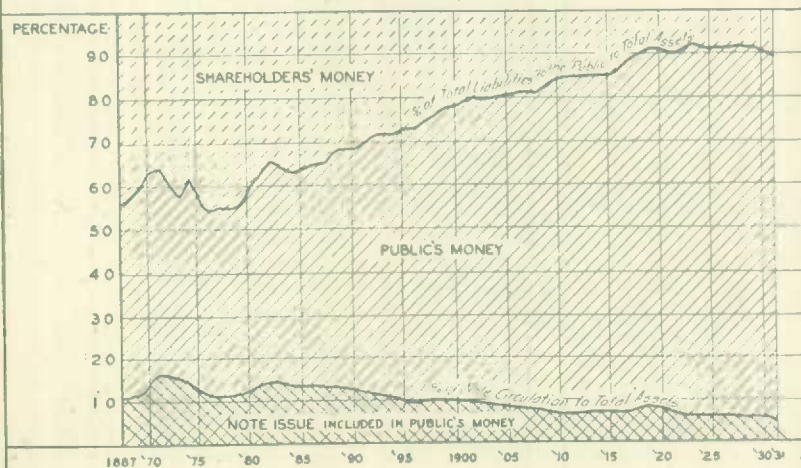
<sup>4</sup>As at December 31, 1931.



# TOTAL ASSETS, TOTAL LIABILITIES TO THE PUBLIC AND NOTE CIRCULATION OF THE CHARTERED BANKS, 1867-1931



## PERCENTAGE DISTRIBUTION OF THE TOTAL ASSETS OF THE CHARTERED BANKS, 1867-1931



Through the operation of the clearing houses, a record of inter-bank transactions has been maintained since 1889, which forms a valuable indication of the trend of business. The clearings at Montreal, the commercial metropolis of Canada, were \$454 millions in 1889, reached \$1,098 millions in 1902, \$2,088 millions in 1910, \$7,109 millions in 1920, \$8,279 millions in 1929 but had dropped to \$5,773 millions by 1931. This, however, does not tell the whole story, since numerous transactions between persons who carry their accounts in the same bank are not recorded in bank clearings; also, every amalgamation of banks lessens in so far the volume of clearings. Accordingly, a record of cheques debited to accounts at all branches at clearing-house centres was instituted in 1924; between that date and 1931 Montreal bank debits increased from \$7,502 millions to \$9,757 millions, and the grand total of bank debits for Canada from \$27,157 millions to \$31,586 millions which, while over 15 billions less than for 1929, still showed an increase of nearly 16 p.c. in seven years.

**Bank Clearings and Bank Debits, 1924-31 and, by Months.  
October 1931 to November 1932**

Year	Exchanges of the Clearing Houses of Chartered Banks in Canada	Bank Debits to Individual Accounts	Year	Exchanges of the Clearing Houses of Chartered Banks in Canada	Bank Debits to Individual Accounts
	\$000,000	\$000,000		\$000,000	\$000,000
1924.....	17,008	27,157	1932—		
1925.....	16,762	28,126	January.....	1,056	2,071
1926.....	17,715	30,358	February.....	1,015	1,990
1927.....	20,568	36,094	March.....	1,036	2,024
1928.....	24,555	43,477	April.....	1,073	2,074
1929.....	25,105	46,670	May.....	1,037	2,175
1930.....	20,692	37,491	June.....	1,081	2,203
1931.....	16,828	31,586	July.....	1,105	2,176
October.....	1,369	2,587	August.....	1,058	2,116
November.....	1,516	2,842	September.....	1,087	2,098
December.....	1,350	2,638	October.....	1,176	2,367
			November.....	1,130	2,466

### Insurance

*Life Insurance.*—The life insurance business was introduced into Canada by companies from the British Isles and the United States about the middle of the nineteenth century. By 1875 there were at least 26 companies and possibly several more, competing for the available business in Canada, as against 42 active companies licensed by the Dominion and a few provincial companies in 1930. Of the 42 companies licensed by the Dominion 28 were Canadian, 6 British and 8 foreign.

The development of life insurance in Canada, as in other English-speaking countries at least, has been marked by an increased service to the individual policy holder. The benefits which may now be obtained under a life insurance policy are calculated to meet the needs of the policy-holder and of his dependants, whether in event of old age or in event of death or of disability. Within the last few years there has been introduced what is known as "group insurance", a plan whereby a group of persons, usually employees, are insured by their employer, for a uniform amount or a varying amount determined by a formula, under one policy.

generally on the term plan, the employer paying the premium or a substantial part thereof. Each employee usually has the right to obtain an individual policy at ordinary normal rates, without medical examination, on termination of employment.

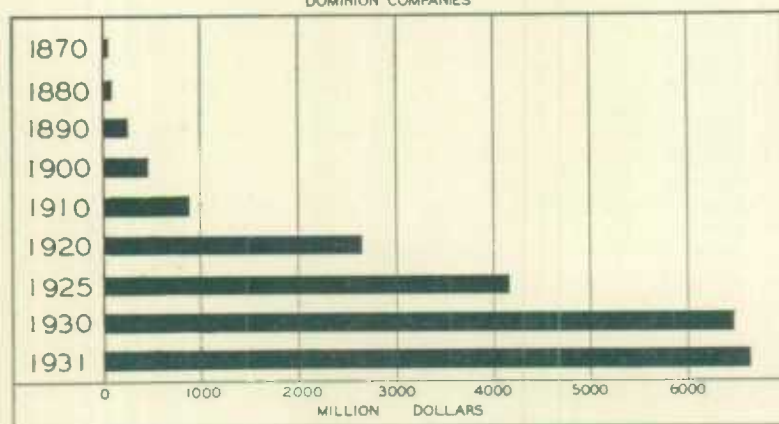
The table below shows the growth of life insurance month by month in recent years. The statistics are not complete but represent approximately 85 p.c. of the total business transacted in Canada.

**Sales of Life Insurance in Canada by Months, 1930 and 1931  
and January to November 1932**

Month	1930	1931	1932	Month	1930	1931	1932
	\$000	\$000	\$000		\$000	\$000	\$000
January .....	46,268	40,816	37,082	July .....	47,375	39,603	34,226
February .....	45,159	39,925	38,857	August .....	36,666	35,438	28,124
March .....	49,924	46,694	37,206	September .....	39,283	29,833	25,023
April .....	52,299	45,345	33,425	October .....	45,525	35,722	29,657
May .....	49,624	40,983	30,779	November .....	46,382	38,615	33,739
June .....	54,901	45,830	40,714	December .....	49,578	40,951	-

### LIFE INSURANCE IN FORCE IN CANADA 1870 - 1931

DOMINION COMPANIES



As a result of the adaptation of life insurance policies to the needs of the public, and of the growing wealth of the community, the growth in the amount of life insurance in force has been phenomenal. In 1869 the total life insurance in force in Dominion companies was only \$35,680,000 as compared with \$6,622,556,490 at the end of 1931. This latter figure was equal to \$638 per head of population. In addition there was \$183,466,589 of fraternal insurance transacted by Dominion licensees and \$202,094,301 of insurance transacted by provincial licensees. Thus the total life insurance

in force in the Dominion at the end of 1931 was \$7,008,117,380. The increase in the premium income of all life companies licensed to transact business in Canada was from \$90 millions in 1920 to \$221 millions in 1930 and \$225 millions in 1931.

*Fire Insurance.*—Fire insurance in Canada began with the establishment by British fire insurance companies of agencies, usually situated in the sea ports and operated by local merchants. The oldest existing agency of a British company is that of the Phoenix Fire Office of London, now the Phoenix Assurance Co., Ltd., which commenced business in Montreal in 1804.

The Halifax Fire Insurance Co. is the first purely Canadian company of which any record is obtainable. Founded in 1809 as the Nova Scotia Fire Association, it was chartered in 1819 and operated in the province of Nova Scotia until 1919, when it was granted a Dominion licence.

The report of the Superintendent of Insurance for the year ended Dec. 31, 1931, shows that at that date there were 243 fire insurance companies doing business in Canada under Dominion licences, of which 52 were Canadian, 65 were British and 125 were foreign companies, whereas in 1875, the first year for which authentic records were collected by the Insurance Department, 27 companies operated in Canada—11 Canadian, 13 British and 3 United States. The proportionate increase in the number of British and foreign companies from 59 to 79 p.c. of the total number is a very marked point of difference between the fire and life insurance businesses in Canada, the latter being carried on very largely by Canadian companies.

The enormous increase since 1869 (the earliest year for which we have statistics) in the fire insurance in force, is no doubt partly due to the growth of the practice of insurance, but it is also important as an indication of the growth of the value of insurable property in the country, and thus throws light upon the expansion of the national wealth of Canada. By 1880 companies with Dominion licences had fire insurance in force totalling \$411,563,271; by 1900 the one billion dollar mark had about been reached and by 1930 the total stood at \$9,672,997,000. At the end of 1931, besides the \$9,549 millions of fire insurance in force in companies with Dominion licences, there were also \$1,341 millions in force in companies with provincial licences, or about \$10,890 millions in force with companies, associations, or underwriters licensed to transact business in Canada.

*Miscellaneous Insurance.*—Miscellaneous insurance now includes in Canada: accident, sickness, automobile, burglary, explosion, forgery, credit, guarantee, hail, inland transportation, employers' liability, aviation, plate glass, sprinkler-leakage, steam boiler, title, tornado and live-stock insurance, etc. Whereas in 1880, 10 companies transacted business of this kind, such insurance was sold in 1931 by 251 companies, of which 53 were Canadian, 59 British and 139 foreign.

The total net premium income for 1931 was \$35 millions and the most important class of miscellaneous insurance, according to the amount of premiums received, was automobile insurance, which has greatly increased in recent years. As recently as 1910, the premium income of companies doing an automobile insurance business was only \$80,446; in 1915 it was \$573,604, and in 1931 \$16,861,000. The premium income of personal acci-



dent insurance came second with \$3,225,030. Employers' liability and workmen's compensation accident insurance was third in 1931 with \$2,116,055, and combined accident and sickness insurance fourth with a premium income in 1931 of \$1,826,870. The premium income of all accident and sickness insurance combined, however, totalled \$10,453,000 in 1931, so that regarded as a unit this group would easily be in second place.

### Loan and Trust Companies

The principal function of loan companies is the lending of funds on first mortgage security, the money thus made available for development purposes being secured mainly by the sale of debentures to the investing public and by savings department deposits. Of the loan companies operating under provincial charters, the majority conduct loan, savings and mortgage business, generally in the more prosperous farming communities.

The number of loan and savings societies in operation and making returns to the Government at Confederation was 19, with an aggregate paid-up capital of \$2,110,403 and deposits of \$577,299. Rapid increases in the number of companies and total volume of business resulted from subsequent legislation. In 1899, 102 companies made returns, showing capital stock paid up of \$47,337,544, reserve funds of \$9,923,728 and deposits of \$19,466,676; total liabilities had increased from \$3,233,985 to \$148,143,496 between 1867 and 1899. After slight decreases in the number of loan companies in operation through amalgamations and absorptions, shortly after the turn of the century, further growth was recorded. As a result of the revision of the laws relating to loan and trust companies in 1914, statistics of provincially incorporated loan and trust companies ceased to be collected, but of late years these have made voluntary returns so that all-Canadian totals are again available.

The paid-up capital stock of all loan companies at the end of 1931 was \$48,207,911 (Dominion companies, \$20,680,307, and provincial companies, \$27,527,604); reserve funds, \$46,069,197 (Dominion companies, \$14,758,529, and provincial companies, \$31,310,668); liabilities to the public, \$167,727,942 (Dominion companies, \$110,752,994, and provincial companies, \$56,974,948); and liabilities to shareholders, \$100,184,612 (Dominion companies, \$37,087,851, and provincial companies, \$63,096,761).

Trust companies act as executors, trustees and administrators under wills or by appointment, as trustees under marriage or other settlements, as agents or attorneys in the management of the estates of the living, as guardians of minor or incapable persons, as financial agents for municipalities and companies and, where so appointed, as authorized trustees in bankruptcy. Some companies receive deposits but the lending of actual trust funds is restricted by law.

Trust companies are principally provincial institutions, since their original main functions were connected with probate, which lies within the sole jurisdiction of the provinces.

The aggregate total assets of the trust companies of Canada at the end of 1931 were \$2,411,818,955 as compared with \$805,000,000 in 1922 (the earliest year for which figures are available). The bulk of these assets (\$2,178,558,241 in 1931) were represented by estates, trusts and agency funds. The assets of Dominion companies in 1931 amounted to \$257,703,467 and of provincial companies to \$2,154,115,488.

### Miscellaneous

*Interest Rates.*—There does not exist in Canada as yet a market for money in the same sense as in great financial centres such as London and New York. Nevertheless the trend of money rates in the Dominion can be measured. Since about the beginning of the century the province of Ontario, the wealthiest and most populous of the provinces of the Dominion, has done its financing largely in Canada, hence the fluctuation in the rate of yield of Province of Ontario bonds is an excellent long-term indicator of net interest rates in the Dominion. Fluctuations in the yield of Ontario bonds for the past six years are shown below:—

**Yield of Province of Ontario Bonds by Months, 1927-32**

Month	1927	1928	1929	1930	1931	1932
	p. c.	p. c.	p. c.	p. c.	p. c.	p. c.
January.....	4.65	4.30	4.65	4.90	4.55	5.74
February.....	4.65	4.20	4.70	4.90	4.55	5.55
March.....	4.60	4.25	4.85	4.85	4.45	5.30
April.....	4.56	4.25	4.95	4.85	4.45	5.33
May.....	4.55	4.35	5.00	4.85	4.40	5.42
June.....	4.55	4.40	4.95	4.83	4.40	5.48
July.....	4.55	4.50	4.95	4.80	4.45	5.30
August.....	4.55	4.60	4.90	4.60	4.40	4.95
September.....	4.55	4.60	5.00	4.45	4.65	4.88
October.....	4.50	4.55	4.95	4.60	4.95	4.70
November.....	4.47	4.55	4.95	4.50	5.05	4.90
December.....	4.35	4.60	4.90	4.50	5.20	-

*Sales of Canadian Bonds.*—The total sales of Canadian bonds reached a higher mark in 1931 than in any year since the close of the War and showed a 63 p.c. increase over 1930. This reflects the more favourable conditions in the bond market following the decline in common stocks since 1929, and the new financing carried out by governments.

The great increase in wealth during and since the War has enabled a much greater proportion of public and industrial financing to be done at home. Whereas before the War a great part of the capital required for Canadian development was drawn from Great Britain and the United States, since 1914 more than 60 p.c. of the total issues of Canadian bonds have been sold within Canada. The percentage so sold in 1931 was 87. The following table shows the total bond sales, the distribution of sales and the classes of bonds in Canada for the six-year period 1926-31.

**Sales of Canadian Bonds, 1926-31**

Year	Class of Bonds		Distribution of Sales			Total
	Government and Municipal	Railway and Corporation	Sold in Canada	Sold in United States	Sold in Great Britain	
	\$	\$	\$	\$	\$	\$
1926.....	246,653,461	285,419,200	263,862,718	259,209,943	9,000,000	532,072,661
1927.....	232,537,614	369,680,667	373,637,614	223,714,000	4,866,667	802,217,681
1928.....	120,113,088	333,479,000	278,080,088	159,512,000	16,000,000	453,592,088
1929.....	218,628,309	442,530,600	378,395,909	263,654,000	19,109,000	661,158,909
1930.....	409,652,063	357,573,000	368,868,063	393,632,000	4,745,000	767,245,063
1931.....	1,069,638,571	181,182,000	1,090,800,571	155,920,000	4,100,000	1,250,820,571

*Commercial Failures.*—The total of commercial failures in Canada for 1932 (ten months) as reported to the Dominion Bureau of Statistics under the provisions of the Bankruptcy and Winding up Acts was 1,995 as compared with 2,216 in 1931, 2,402 in 1930, 2,167 in 1929, and 2,037 in 1928.

The following tables give, for the above five years, the distribution of failures by provinces and by industrial and commercial groups:—

**Number of Commercial Failures by Provinces, 1928-32**

Year	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
1932 <sup>1</sup> .....	8	50	68	795	740	68	67	107	88	1,995
1931.....	7	51	74	795	793	109	152	131	104	2,216
1930.....	3	61	45	1,011	776	113	146	152	95	2,402
1929.....	1	71	61	927	762	91	34	101	69	2,167
1928.....	4	90	56	767	758	103	63	126	70	2,037

<sup>1</sup> Ten months, January to October inclusive.

**Number of Commercial Failures by Groups, 1928-32**

Year	Trade	Manu- fac- tures	Agri- cul- ture	Log- ging, Fish- ing	Min- ing	Con- struc- tion	Trans- porta- tion and Public Uti- lities	Fin- ance	Ser- vice	Not Classi- fied	Total
1932 <sup>1</sup> .....	964	387	155	8	4	68	38	5	241	125	1,995
1931.....	1,107	464	125	5	7	61	42	21	255	134	2,216
1930.....	1,204	488	115	12	9	55	48	29	283	159	2,402
1929.....	1,100	443	125	4	11	61	21	5	239	158	2,167
1928.....	884	505	108	31	23	70	45	5	263	103	2,037

<sup>1</sup> Ten months, January to October inclusive.

The chief branches of business to be affected by failure are trade, manufacturing, and service and for 1932 (ten months) these three groups accounted for 80 p.c. of all failures. In that period the estimated grand total of assets of all the concerns which failed was \$32,081,964 against estimated liabilities of \$34,506,706. For the previous year estimated assets were \$46,849,179 and estimated liabilities \$52,552,900. For the same ten months of 1931 as are covered by 1932 figures in the above tables the total failures were 1,807 and the percentage of these accounted for by the trade, manufacturing and service groups was also 80. Total assets in that period were \$40,745,303 and the total liabilities \$45,260,019.

## CHAPTER XVII

### LABOUR

*Dominion Department of Labour.*—Accompanying the steady progress of labour organization, Canada has provided on an increasing scale for governmental consideration of labour problems. The Dominion Department of Labour was established in 1900. Its duties are to aid in the prevention and settlement of labour disputes, to collect and disseminate information relative to labour conditions, to administer the Government's fair-wages policy and in general to deal with problems involving the interests of workers. Under the first mentioned of these functions, the Industrial Disputes Investigation Act, originated in 1907 for the settlement of trade disputes, has attracted favourable comment throughout the world; up to March 31, 1932, 772 threatened disputes have been referred under it and in all but some 38 cases an open break has been averted. A monthly *Labour Gazette* has, since 1900, provided a comprehensive survey of labour conditions in Canada, and is supplemented by various special publications dealing with wages, labour organizations, labour laws, etc. The Department more recently has established also the "Employment Service of Canada" which is concerned particularly with problems relating to employment; it also administers the Technical Education Act, the Government Annuities Act, the Old Age Pensions Act and the Combines Investigation Act—the latter being a measure aimed at combinations in restraint of trade. In addition, the Department acts generally as the representative in Canada of the International Labour Office of the League of Nations, Canada as one of the eight states of "chief industrial importance" having a place on the Governing Body of that Office.

*Provincial Departments and Bureaus of Labour.*—In several of the provinces likewise, namely, in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia, Departments or Bureaus of Labour have been set up. Under these are administered an increasing body of legislation of various kinds ("civil rights" pertaining to the provinces under the B.N.A. Act) in the form of factories, shops and mines Acts, workmen's compensation Acts (most of the provinces having special boards for the administration of the latter legislation), laws for the protection of women and children in industry, mechanics' lien Acts and other legislation for the fixing and safe-guarding of wages. The growth of this body of legislation is one of the most outstanding features of the social progress of Canada in the present century.

### The Labour Movement

In Canada, trade unionism has been an outgrowth of the last half century, resulting from the increase in urban population and the development of a diversified industrial life. The majority of our local trade unions are branches of international craft organizations which usually have their headquarters in the United States, but in recent years there has been in evidence a movement for the establishment of national unions; prominent among these are the Canadian Central Labour Organizations and the National Catholic Unions.



During 1931, there were in existence in Canada 1,884 international locals having 188,219 members, and 888 non-international unions with a membership of 122,325. The total number of organized workers reported to the Department of Labour was therefore 310,544, compared with 322,449 in 1930. Of the latter number, 203,478 unionists belonged to international craft organizations, while 118,971 were members of the national unions. The oldest federated labour organization in the Dominion is the Trades and Labour Congress, established in 1873, which is the recognized head of the internationally organized workers in Canada and their representative in dealing with legislative matters. The All-Canadian Congress of Labour came into existence at a meeting of national union representatives held in Montreal in 1927. The object of the Congress is to promote the interests of its affiliated organizations and to strive to improve the economic and social conditions of the workers. The Catholic union movement in Canada dates from 1901, when it had its inception in Quebec City. Subsequently, other national unions were formed in the province of Quebec.

With the growth of the Catholic union movement in Canada, which has been steady, there developed the desire for a central organization to direct and co-ordinate the activities of the various units, which resulted during 1921 in the formation of the Federation of Catholic Workers of Canada. The plan of organization adopted is similar to the non-sectarian trade unions. Although this movement was originally designed exclusively for Roman Catholics, provision has been made for the admission of non-Catholics as associate members who may vote, but cannot hold office.

*Industrial Disputes.*—During 1931, the loss to industry and to workers through industrial disputes was greater than 1930 or 1929, although the number of workers involved was smaller than in any other year since 1901 except 1914. There were 88 disputes, involving 10,738 workers and a time loss of 204,238 working days, compared with 67 disputes involving 13,768 workers and 91,797 working days in 1930. This was the minimum loss in working days since the record was commenced, while the maximum time loss was 3,400,942 in 1919, when 148,915 workers were involved. During the twelve months of 1932, there were 92 disputes involving 19,811 workers and 300,687 working days (preliminary figures).

*Labour in Politics.*—The proposal that labour take independent political action to secure direct representation in the legislatures of the country was first proposed in 1887, when the Trades and Labour Congress of Canada, at a meeting in Hamilton, Ontario, adopted a resolution to this effect. Labour members were occasionally elected to the provincial and the Dominion Parliaments, but in spite of much discussion on the matter, no definite policy was followed by labour for some years. The executive council of the Trades and Labour Congress therefore suggested at the 1917 convention that a labour party should be organized along the lines of the British party. This proposal was adopted, and in 1921 the Canadian Labour Party was formed in Winnipeg. For a few years, the party endeavoured to co-ordinate the various labour political parties, but since 1927 the main organization has ceased to function, although two sections, those in Quebec and Alberta, are still in existence. British Columbia, Manitoba and Ontario have Independent Labour Parties, while in some of the other provinces, there are labour political organizations operating under different names.

In 1929, delegates representing labour political parties of the four western provinces met in Regina and formed an organization under the name of "The Western Conference of Labour Political Parties" with a view to unifying the political policy of labour west of the Great Lakes. Annual meetings have since been held.

In the federal elections held in July, 1930, 12 straight labour candidates appeared; there were also ten Communist nominees and two Farmer-Labour candidates. Three nominees of labour political parties were elected, two in Winnipeg and one in Vancouver, while at a by-election held in August, 1931, to fill a vacancy in East Hamilton, Ont., the labour candidate was elected to Parliament.

The present Minister of Labour is the Hon. Wesley A. Gordon, under whose administration the 1932 unemployment relief measures of the Government are being carried out.

### Co-operative Associations

Co-operative Associations in Canada numbered 1,132 in 1931, with a total membership of 756,420. In 1930, there were 1,095 of these organizations which reported 690,685 members. This type of organization includes productive, marketing, credit and savings, community hall and miscellaneous societies; in some cases, production and marketing are jointly carried on. Important among the Co-operative Associations are the Grain Growers of the Prairies, which are the largest co-operative organizations in Canada. It is interesting to note that the Association Opposing Compulsory Pool was formed in 1931 as a co-operative society to combat the 100 p.c. Wheat Pool in Saskatchewan, and had a reported membership of 150,000; the functions of this organization are partly educational. Numerically the strongest co-operative associations are those engaged primarily in marketing, there being in 1931, 333 of such societies with a total membership of 344,884.

In the province of Quebec, great success has been achieved by the organization of "People's Banks" for the providing of short-term credit for small farmers and industrial workers; 179 such banks were in operation in 1930, their membership numbering 44,940, and their loans amounting to \$3,724,537, on which the profits realized amounted to \$645,096.

In Ontario, there are three Co-operative Credit Societies, one of which was formed in Toronto in 1931 by the Amalgamated Clothing Workers of that city. In the category of credit and savings organizations, there is also the Alberta Provincial Association of Credit Societies, a body with 41 local societies operating under the provisions of the Co-operative Credit Act of the province. One of the functions of this organization is to act as intermediary between the members of affiliated societies and the department in charge of the Act.

### Employment, 1931 and 1932

The importance of current statistics on employment has for some years been recognized in Canada, and a monthly record of the numbers on the payrolls of firms having 15 or more employees has been maintained since 1920. The inquiry includes all industries except agriculture, fishing, hunting, professional and highly specialized business undertakings such as banking, insurance, etc. The chart on p. 168 shows the trend of employment during the last seven years.

During the twelve months of 1932, some 7,900 employers reported to the Dominion Bureau of Statistics an average working force of 801,356 persons. Monthly index numbers, based on the 1926 average as 100, are calculated from these returns from employers; in the twelve months of 1932, the general index averaged 87.5, compared with 102.5, 113.4, 119.0 and 111.6 in the same months of 1931, 1930, 1929 and 1928, respectively. Employment, therefore, was in smaller volume during 1932 than in the immediately preceding years. A feature of the situation in 1931, and in the early months of 1932, was the very considerable amount of employment afforded by public authorities in combating the agricultural and industrial depression. This largely took the form of highway construction work, but other public undertakings were also carried out; these works provided stimulus to other industries as well as construction. Later in 1932, however, it was decided to discontinue relief works on a large scale, direct relief being provided where necessary (see page 171). The accompanying table shows monthly index numbers of employment for the five economic areas since Jan. 1, 1932, with yearly averages since 1921.

*Employment by Economic Areas.*—The Maritime Provinces during 1932 reported a generally higher level of employment than was indicated in the other economic areas; activity in all provinces, however, was generally less than in 1931.

**Index Number of Employment as Reported by Employers, by Economic Areas, as at the first of each month, November, 1931, to December, 1932, with Yearly Average since 1921.**

NOTE.—These indexes are calculated upon the average for the calendar year 1926 as 100. The relative weight shows the proportion of employees reported in the indicated economic area to the total reported by all employers making returns in Canada on December 1, 1932.

Year and Month	Maritime Provinces	Quebec	Ontario	Prairie Provinces	British Columbia	Canada
1921—Averages .....	102.4	82.2	90.6	94.0	81.1	88.8
1922—Averages .....	97.3	81.4	92.8	92.6	82.8	89.0
1923—Averages .....	105.7	90.7	99.5	94.8	87.4	95.8
1924—Averages .....	96.6	91.3	95.5	92.1	89.4	93.4
1925—Averages .....	97.0	91.7	95.8	92.0	93.7	93.6
1926—Averages .....	99.4	99.4	99.6	99.5	100.2	99.6
1927—Averages .....	103.7	104.0	105.6	105.3	101.1	104.6
1928—Averages .....	106.6	108.3	113.5	117.9	106.4	111.6
1929—Averages .....	114.8	113.4	123.1	126.3	111.5	119.0
1930—Averages .....	118.3	110.3	114.6	117.1	107.9	113.4
1931—						
Nov. 1.....	116.6	96.2	98.1	128.2	98.9	103.0
Dec. 1.....	112.7	94.7	99.3	106.0	90.5	99.1
Averages, 12 months	108.1	100.9	101.2	111.5	95.5	102.5
1932—						
Jan. 1.....	111.1	86.3	93.8	92.4	80.6	91.6
Feb. 1.....	99.9	85.9	92.7	91.3	77.5	89.7
Mar. 1.....	93.1	86.5	91.8	88.2	78.7	88.7
April 1.....	88.3	85.0	91.1	86.1	80.9	87.5
May 1.....	87.8	86.0	89.5	87.6	82.7	87.5
June 1.....	96.4	87.8	89.9	89.3	83.7	89.1
July 1.....	96.4	86.6	89.2	90.5	83.7	88.7
Aug. 1.....	90.1	84.4	86.9	90.1	81.4	86.3
Sept. 1.....	87.8	85.3	85.1	91.6	82.8	86.0
Oct. 1.....	84.9	85.8	80.1	94.6	82.1	86.7
Nov. 1.....	86.8	83.6	84.2	91.6	77.8	84.7
Dec. 1.....	83.8	82.9	84.1	86.7	73.8	83.2
Averages, 12 months	92.2	85.5	88.7	90.0	80.5	87.5
Relative Weight by Economic Areas as at Dec. 1, 1932.....	7.6	29.3	41.2	14.1	7.8	100.0

The average for the calendar year 1926, including figures up to Dec. 31, 1926, being the base used in computing these indexes, the average index here given for the 12 months Jan. 1-Dec. 1, 1926, generally shows a slight variation from 100.



*Employment in Leading Cities.*—Monthly statements are compiled for eight of the leading industrial centres in the Dominion, namely, Montreal, Quebec city, Toronto, Ottawa, Hamilton, Windsor and the adjacent Border Cities, Winnipeg and Vancouver.



The efficiency of Canadian industry is due, in no small measure, to the conditions under which employees operate. The picture shows the finishing department of an Ontario artificial silk factory.

*Courtesy, Department of the Interior.*

The level of employment during 1932 as in 1931, was higher in Quebec city and Ottawa than in the other centres for which separate tabulations are made. The greatest falling-off in activity as compared with the pre-



ceding year was in Hamilton and Windsor and the adjacent Border Cities, and was largely a reflection of the depression in the metal and the automobile industries. During both 1931 and 1932 certain works were undertaken by the municipalities for the relief of unemployment, and were important factors in the employment situation.

*Employment by Industries.*—An analysis of the data by industries shows that during 1932 employment was generally more active in trade and services than in other groups, while logging showed the greatest falling-off as compared with preceding years. In manufacturing, mining, communications and transportation, employment continued quiet. During 1931, large programs of unemployment relief works resulted in a high level of activity in construction; in 1932, a policy of direct relief for those out of work was generally decided upon, and the index of employment in the construction group was consequently much lower. The industry was also affected by the prevailing slackness in business.

**Index Number of Employment as Reported by Employers, by Industries, as at the first of each month, November, 1931, to December 1932, with Yearly Averages since 1921.**

Year and Month	Manu- factur- ing	Log- ging	Mining	Com- muni- cations	Trans- porta- tion	Con- struc- tion and Main- tenance	Service	Trade	All Indus- tries
1921—Averages...	87.7	103.0	98.0	90.2	94.1	71.1	83.6	92.7	88.8
1922—Averages...	88.3	85.1	99.5	86.4	97.8	76.7	81.9	90.8	89.0
1923—Averages...	96.6	114.2	106.2	87.6	100.3	80.9	87.9	92.1	95.8
1924—Averages...	92.4	116.7	105.3	93.7	99.1	80.3	93.8	92.5	93.4
1925—Averages...	93.0	105.4	99.8	95.5	96.6	84.9	95.4	95.1	93.6
1926—Averages...	99.6	99.5	99.7	99.6	99.7	99.2	99.5	99.2	99.6
1927—Averages...	103.4	109.3	107.0	103.8	102.5	109.0	106.2	107.4	104.6
1928—Averages...	110.1	114.5	114.4	108.2	105.9	118.8	118.1	116.1	111.6
1929—Averages...	117.1	125.8	120.1	120.6	109.7	129.7	130.3	126.2	119.0
1930—Averages...	108.9	108.0	117.8	119.8	104.6	129.8	131.6	127.7	113.4
1931—									
Nov. 1.....	88.8	63.7	107.9	102.4	95.4	165.4	117.5	122.8	103.0
Dec. 1.....	89.6	73.1	107.5	100.5	93.5	128.8	116.1	125.6	99.1
Averages— 12 months.....	95.3	60.1	107.7	104.7	95.8	131.4	124.7	123.6	102.5
1932—									
Jan. 1.....	83.9	68.7	105.1	98.1	85.6	104.8	114.4	125.7	91.6
Feb. 1.....	85.9	68.5	102.4	97.3	83.4	90.4	112.1	117.2	89.7
Mar. 1.....	87.0	60.6	101.1	95.2	81.9	83.3	114.7	113.6	88.7
April 1.....	87.3	31.1	101.0	93.9	81.9	79.9	113.9	114.3	87.5
May 1.....	85.8	32.5	97.9	94.1	84.3	83.2	114.7	116.2	87.5
June 1.....	86.0	37.9	96.8	94.1	85.5	92.9	116.8	116.1	89.1
July 1.....	85.4	34.2	95.0	93.1	85.9	93.3	119.9	115.4	88.7
Aug. 1.....	82.6	29.1	94.8	93.5	85.3	90.0	117.0	113.8	86.3
Sept. 1.....	83.1	26.0	96.5	92.9	86.5	84.4	110.4	113.1	86.0
Oct. 1.....	84.1	28.4	98.2	91.2	87.2	84.3	108.8	114.5	86.7
Nov. 1.....	81.7	37.9	101.2	89.6	84.5	77.9	106.5	115.4	84.7
Dec. 1.....	80.3	56.0	99.9	89.3	83.9	67.6	103.7	117.8	83.2
Averages— 12 months.....	84.4	42.6	99.3	93.5	84.7	86.0	113.6	116.1	87.5
Relative Weight by Industries as at Dec. 1, 1932..	52.1	2.0	5.9	3.1	12.9	10.2	2.6	11.2	100.0

<sup>1</sup>See footnote to table on p. 167; also headnote.

Within the manufacturing division, the iron and steel industries suffered especially from the depression which continued throughout 1932. The lumber, vegetable food, rubber, chemical, clay, glass and stone, electric

current, electrical apparatus, non-ferrous metal and non-metallic mineral product industries showed lowered activity. On the other hand, employment in animal food, leather, and textiles was generally maintained at a level approximating that of 1931.

*Unemployment in Trade Unions.*—A picture of the industrial situation from the viewpoint of organized labour is presented in the monthly reports on unemployment tabulated by the Dominion Department of Labour from leading trade unions throughout Canada. During the first ten months of 1932 1,796 of these reported an average membership of 174,117, of whom 37,544 were, on the average, unemployed. This was a percentage of 21.6, as compared with that of 16.8 recorded in 1931. Unemployment among trade unionists in all provinces and practically all industries was greater than in the preceding year. The accompanying table contains percentages of unemployment among trade union members in the different provinces from October, 1931, to October, 1932, with yearly averages since 1925.

**Percentages of Unemployment in Trade Unions, by Provinces, 1925-31, and by months, October, 1931, to October, 1932**

Year and Month	N.S. and P.E.I.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
1925—Averages...	5.0	3.6	10.9	5.5	5.1	3.3	8.4	5.7	7.0
1926—Averages...	7.8	2.1	6.8	4.2	3.6	3.0	4.9	5.5	5.1
1927—Averages...	3.7	1.9	6.8	4.1	4.4	3.2	4.1	5.5	4.9
1928—Averages...	4.0	1.2	6.1	3.5	4.2	3.0	4.2	5.1	4.5
1929—Averages...	4.0	1.6	7.7	4.3	7.1	5.3	6.4	5.9	5.7
1930—Averages...	5.4	3.7	14.0	10.4	9.6	10.6	13.3	11.6	11.1
1931—									
Oct.....	8.6	9.2	23.6	18.3	17.7	12.7	16.4	19.7	18.3
Nov.....	12.8	10.0	22.1	18.8	18.3	17.0	14.7	20.6	18.6
Dec.....	13.8	9.6	20.0	20.3	16.5	19.5	16.9	21.2	21.1
Averages—									
12 months.....	8.5	9.2	19.3	17.2	15.7	15.6	19.4	17.6	16.8
1932—									
Jan.....	15.1	15.9	28.4	21.5	19.0	18.0	19.3	21.8	22.0
Feb.....	8.3	14.9	23.1	23.0	19.6	19.5	20.2	21.1	20.6
Mar.....	8.0	13.3	23.5	21.6	20.7	17.6	23.2	20.5	20.4
April.....	8.9	16.0	28.1	24.0	21.9	16.9	26.1	21.5	23.0
May.....	8.5	14.2	26.3	23.6	21.0	14.0	26.5	20.4	22.1
June.....	9.6	12.0	27.1	23.4	18.1	14.4	23.4	22.3	21.9
July.....	8.0	13.2	26.2	24.4	19.7	13.7	25.5	20.5	21.8
Aug.....	8.9	13.7	25.0	23.9	18.2	13.0	24.0	19.9	21.4
Sept.....	11.7	13.1	23.6	23.1	18.7	11.0	19.1	19.7	20.4
Oct.....	11.5	16.7	27.6	22.7	21.4	13.4	21.7	21.1	22.0
Averages—									
10 months.....	9.9	14.3	25.9	23.1	19.8	15.2	22.9	20.9	21.6

*Applications, Vacancies and Placements of the Employment Service of Canada.*—In co-operation with the provinces, the Dominion Department of Labour maintains local employment offices in some 71 centres throughout the Dominion. The volume of business transacted in these bureaux is to some extent indicative of current labour conditions. Up to Nov. 15, 1932, 570,708 applications for work and 319,530 vacancies were registered, while the regular and casual placements effected numbered 130,906 and 177,074 respectively; in the same period of 1931, the applicants numbered 737,217,

the positions notified as vacant 428,141, and the regular placements 152,285, while the casual positions filled numbered 262,488. The declines from 1931 shown in applications, vacancies and casual placements were partly due to fewer men being sent to relief works sponsored by the various authorities. The number of regular placements effected was also lower than in the corresponding period of the preceding year.

### Unemployment Relief

*The Unemployment and Farm Relief Act, 1931, and the Unemployment and Farm Relief Continuance Act, 1932.*—Following the expiration of the Unemployed Relief Act 1930, whereby the Dominion Government specified that \$20,000,000 might be expended for the granting of aid for the relief of unemployment (see *Canada 1932*, p. 172), the Second Session of the 17th Parliament enacted the Unemployment and Farm Relief Act, 1931, to provide relief for the winter of 1931-32. The administration of the Act was vested in the Minister of Labour subject to the approval of the Governor in Council.

The Act specified that moneys might be expended from the Consolidated Revenue Fund for the purposes of: providing for the construction, extension or improvement of public works and undertakings of any nature or kind whatsoever; assisting production and distribution of natural products; assisting provinces, cities, towns, municipalities and other bodies or associations or in such other manner as may be deemed necessary or advisable. No specific amounts were set forth for unemployment and farm relief, the amount of unemployment in each province governing the amount approved for expenditure.

Agreements were entered into between the Dominion Government and the various provinces and general regulations issued. Programs of municipal and provincial public works were undertaken by all provinces and also a large number of Dominion public works were carried out under the provisions of the Act. In addition, direct relief was given to those for whom work could not be provided.

Owing to the extent of unemployment throughout Canada on Mar. 1, 1932, the date of the expiration of the Unemployment and Farm Relief Act, 1931, the Unemployment and Farm Relief Continuance Act, 1932, was passed by Parliament. This Act, in effect, extended all the provisions of the Unemployment and Farm Relief Act, 1931, to May 1, 1932.

As at Oct. 20, 1932, the estimated cost of approved municipal and provincial public works being carried out under the scheme was: municipal works, \$43,278,000 (Dominion proportion, \$14,459,000); provincial works \$4,692,000 (Dominion proportion, \$1,834,000). The latter item does not include provincial highways, \$16,718,000 (Dominion proportion \$7,409,000) and the Trans-Canada Highway \$9,569,000 (Dominion proportion \$4,785,000), also approved under the Act.

In addition undertakings being carried on by the Dominion Government alone amounted at the same date to \$7,284,000, the chief items being on account of the Department of Railways and Canals \$2,027,000, Department of Public Works, \$1,735,000, and Canadian Pacific Railway Co. (Shop Wages) \$1,447,000. A further sum of \$11,517,000 was paid by the Dominion for direct relief of which \$5,250,000 was administered by the Saskatchewan Relief Commission.

The grand total of Dominion expenditures approved under the legislation was therefore \$47,288,000 at Oct. 20, 1932, and the cost of administration to the Dominion at the same date was \$84,488.

The total number given employment to Aug. 31, 1932, under municipal and provincial public works was 575,201 and the man-days worked reached 13,073,263. Under the direct relief programs 1,542,281 persons were given relief and in addition 8,136,755 meals and 2,087,930 nights' lodging were given.

*The Relief Act, 1932.*—At the Third Session of the 17th Parliament legislation was enacted which may be cited as the Relief Act, 1932, and which received Royal assent on May 13, 1932.

Under this Act the Governor in Council may: provide for special relief works and undertakings in the National Parks of Canada, and for the continuance of the relief measures undertaken and being carried on at the cost of Canada in the drought-stricken areas of Saskatchewan by the Saskatchewan Relief Commission; and take all such other measures deemed necessary or advisable for carrying out the provisions of the Act.

The administration of the Act was by order of the Governor in Council vested in the Minister of Labour.

It had been decided at a conference held in Ottawa on April 9, 1932, between representatives of the Dominion and Provincial Governments that, under any relief measures adopted for the coming year, public works would be discontinued in preference to direct relief owing to the relatively smaller amount of actual relief which it had been found possible to distribute under the former.

Agreements were entered into between the Dominion and Provincial Governments whereby families, who would otherwise be on direct relief, might be established on the land in order that they might realize a form of self-sustaining relief. The agreements provide, in this connection, that a maximum sum of \$600 may be allotted to each settler, of which amount \$100 at least is to be held for subsistence purposes if necessary during the second year of settlement; the Dominion contribution towards this relief settlement scheme being one-third, the remaining two-thirds being contributed by the province and the municipality concerned, as may be decided between the province and the municipality.

The most recent report of progress received from the provinces is as follows:—

Nova Scotia, applications approved—60; Quebec, located on land—140; Ontario, families selected—226; Manitoba, located on land—157; Saskatchewan, located on land—360.

It should be observed that settlement this year represents only the beginning of the movement, as the agreements with the provinces cover a period of two years and do not expire until Mar. 31, 1934. In the various provinces selection of settlers under the plan is actively continuing so that the figures given above do not give any indication of the total number which may be settled this year. As the relief settlement scheme applies only to men with families, it was found advisable, where possible, to take single men from urban centres and place them in board camps, these camps being established where suitable work might be carried out. In return for work done in these camps, the men receive their board and a small cash allowance. The cost of these camps is being borne by the Dominion Government and the province concerned. There were at Oct.



20, 1932, 14,766 men actually located in board camps in various provinces of the Dominion, or working on projects operated on a subsistence basis. The total disbursements made by the Dominion Government at the same date reached \$3,836,460 of which \$2,055,899 was expended for direct relief.

### Old Age Pensions

*The Old Age Pensions Act, 1927.*—The Act is administered by the Department of Labour and makes provision for the establishment of a Dominion-provincial pension system to be effective in such provinces as have enacted and given effect to special legislation for this purpose. To this end arrangements are made for the payment, to such a province, quarterly, of 75 p.c.<sup>1</sup> of the net cost of old age pensions. The provinces now operating under such agreements are: B.C., Alta., Sask., Man., and Ont. The following table gives the payments made under the Act and the number of pensions, by provinces, as at Sept. 30, 1932.

**Summary of Old Age Pensions in Canada, by Provinces,  
as at September 30, 1932**

Item	Alberta Effective Aug. 1, 1929	B.C. Effective Sept. 1, 1927	Manitoba Effective Sept. 1, 1928	Ontario Effective Nov. 1, 1929	Sask. Effective May 1, 1928	N.W.T. Effective Jan. 25, 1929	Total
Total numbers of pen- sioners as at Sept. 30, 1932.....	4,880	6,714	7,776	41,513	7,869	6	68,758
Averages of monthly pensions.....\$	18-90	19-08	19-63	18-37	18-63	20-00	-
Total amounts of pen- sions paid during first nine months of 1932.....\$	776,857	1,148,870	1,296,719	6,224,246	1,344,394	1,155	10,792,241
Dominion Govern- ment's shares.....\$	622,269	923,966	1,038,572	4,994,954	1,079,084	1,155	8,660,600
Total amounts of pen- sions paid since in- ception of Old Age Pensions Act to Sept. 30, 1932.....\$	2,384,525	5,462,654	5,438,275	22,790,859	5,128,138	4,383	41,208,834
Dominion Govern- ment's shares.....\$	1,426,104	3,080,858	3,109,355	13,278,260	2,970,956	4,383	23,869,910

The N.B. Legislature at its 1930 session passed on Old Age Pensions Act, while similar legislation was enacted in 1931 by the provinces of N.S. and P.E.I., each Act to come into force on a day to be fixed by proclamation. The Gold Commissioner of the Yukon Territory was given authority, in 1927, to enter into an agreement with the Dominion Government for the purpose of obtaining the benefit of the Old Age Pensions Act but no scheme has yet been formulated. An Act was assented to by the Quebec Legislature in 1930 providing for the creation of a commission to study a system of social insurance for the province. On Oct. 30, 1930, a commission was appointed to study the subject of old age insurance. In the Commission's second report, which was published in Jan., 1932, it was intimated that it had been decided to postpone the matter.

<sup>1</sup> The proportion paid by the Dominion as set in the Act of 1927 was one-half, but this was increased at the Second Session of the Seventeenth Parliament to 75 p.c., which measure was made effective 1930 Nov. 1, 1931.

## CHAPTER XVIII

### EDUCATION—RESEARCH COUNCILS— PUBLIC LIBRARIES

#### Education

The census of 1931, like those of previous decades, obtained a record of the number of the Canadian population attending school. It showed a ten-year increase of 25.8 p.c. in school attendance as compared with an increase of about 20 p.c. in the children of school ages, and less than 18 p.c. in the total population, thus providing unmistakable evidence that the school life of Canadian children has substantially lengthened. In addition to spending more years in school pupils are attending more regularly while there. The census was taken on June 1, and a question was asked as to how many months each child had attended since September 1, the maximum possible being nine months. Practically 95 p.c. of those at school were found to have attended from 7 to 9 months, where only 88 p.c. had done so in 1921; 80 p.c. of this gain was in rural districts.

#### Statistics of Education in Canada, 1931

Type of Institution	Number of Institutions	Number of Pupils	Number of Teachers	Expenditure
Provincially-Controlled Schools—				\$
(a) Ordinary day.....	30,500 <sup>1</sup>	2,137,810	65,248	
(b) Technical day.....	136	56,320	2,017	
(c) Technical evening.....	380	121,437	3,178	144,748,823
(d) Normal Schools.....	46	7,956	490	
(e) Blind and deaf.....	11	1,785	300 <sup>2</sup>	
Privately-Controlled Schools—				
(a) Ordinary day.....	816	95,083	5,657	7,187,000
(b) Business training.....	179	22,827	607	(estimated)
Dominion Indian Schools.....	352	16,415	500 <sup>1</sup>	2,754,395
Universities and Colleges—				
(a) Preparatory.....	54 <sup>2</sup>	19,845	1,423	
(b) University grade.....	153	41,168		24,011,289
(c) Other.....	10 <sup>2</sup>	22,101	4,788	
Totals.....	32,637	2,542,747	84,208	178,701,507

<sup>1</sup>Approximate.

<sup>2</sup>Including only affiliated schools that are not enumerated in (b).

The wider diffusion of education was also reflected in the results of the census. More than 92 p.c. of the population over the age of five years in 1931 was able to read and write; in 1921 the proportion was 90 p.c. and in 1901 it was 83 p.c. Much the most rapid gains in literacy were made in Western Canada, the more recently settled provinces, where the proportion able to read and write, for the first time, equalled the proportion in the five older provinces.

Throughout the Dominion of Canada public education is a matter of provincial concern, except for the task of instructing the Indians who are wards of the Dominion Government. The administration of education is one of the chief functions of Provincial Governments, and there has developed in each province a school system with its own individuality.

though the similarities are striking among all except French-speaking Quebec. As the following summary shows, only about 5 p.c. of the school population under university grade are in schools other than those of the provincial systems. Six of the provinces have provincial universities, and the remaining three have certain colleges belonging to the higher educational system.

*Ordinary Day Schools of General Education.*—The provincially-controlled schools in this category care for 2,137,810 pupils, the privately-controlled, 95,083, making in all 2,232,893. Except in Quebec, practically all of these pupils are distributed over twelve grades, each requiring about one year for the average child to complete. The first eight grades are generally elementary, the remaining four secondary or high school, though there is a growing tendency in several provinces to have the elementary course proper end at the sixth year, and to introduce an intermediate school or junior high school of about three years between it and the senior high school. The greatly enhanced proportion of pupils proceeding to the end of the elementary grades and starting to high school has made it necessary to focus attention on these transitional years of the school curriculum. The Dominion Bureau of Statistics calculates that over two-thirds of the children in those provinces using the uniform grading system now get as far as the entrance to high school, that fully one-half receive some high school training, and that more than one-fifth reach the final or matriculation year. The proportions are much higher in urban areas, lower in rural parts, thus making the need for reorganization of the school courses greatest in cities, where, at the same time, the possibilities are greatest.

The organization of the school system of French-speaking Quebec bears more resemblance to those of western European countries, and less likeness to those of the United States than do the other provincial school systems in Canada. The outstanding feature of the latter is the simplicity of the structure—a single straight incline up which all children proceed together from the elementary to the high school grades and thence on to a normal school or university. The Quebec Catholic system has two fairly distinct groups of institutions—the primary schools and the secondary schools. The former include the great majority of children and give a course with a strong vocational flavour especially in the upper years but do not prepare pupils for university entrance. The smaller group consists mainly of residential schools whose function is to give a classical training from early years in preparing students for the universities. Statistics of the secondary schools of Quebec are included with colleges.

*Technical and Vocational Schools.*—To an increasing extent in recent years, technical and industrial schools are coming to supplement the work of the schools of general education, due in considerable measure to the stimulus given to this type of education by Dominion subsidies. In 1913 the Agricultural Instruction Act provided for the distribution of \$10,000,000 among the provinces in ten years; in 1919 a similar sum was voted for the advancement of technical education on condition that the provinces themselves each spend an additional amount equivalent to its share; in 1929 the time limit in which the provinces might qualify for their shares was extended five years; in 1931 an annual sum of \$750,000 for fifteen years was voted for the same purpose. Thus continuance of the central stimulus seems assured for a further period.



A Placer Mining Class in the Alberta Provincial Institute of Technology and Art.



Mechanical Instruction in a Technical School — A tractor and stationary engine class.  
*Photos, Courtesy W. G. Carpenter, Calgary.*



The enrolment in day courses in 1931 was 56,320. Practically all pupils were of post-elementary grade, and 29,547 were in the province of Ontario where a general system of secondary technical schools has developed further than in other provinces, as would be expected from the greater number of its industrial cities. As in the academic high school enrolment, boys are outnumbered in the technical school enrolment of most of the provinces, by girls who generally follow business training, household science or arts courses. Indeed, in five of the provinces there are schools in this category confining their instruction entirely to the fine arts, keeping in mind the practical aspects of applied art as required in commerce and industry. Evening classes in the technical schools enrolled 121,437 pupils in 1931, and included a wide variety of courses, all of which were not of secondary grade.

In addition to the enrolment above mentioned, which includes only the pupils in publicly-supported schools, there are many independent schools of a technical character conducted by private enterprise. The most numerous are the business colleges, one or more of which is established in each of the cities and larger towns. These train annually thousands of young people for office positions. Their enrolment in 1931 was 22,827, one-third of whom attended evening classes.

*Indian Schools.*—Scattered throughout the provinces and territories of the Dominion are 80 residential and 272 non-residential schools for the children of native Indians. They were attended in 1931 by 16,415 pupils, almost half of whom were in residential schools, in the operation of which the Department of Indian Affairs works in close co-operation with the Roman Catholic, Anglican, United and Presbyterian churches. The school curriculum of the province in which the Indian school is situated is generally followed, but special emphasis is put on care of the health, language and vocational subjects. Girls are given training in domestic science, boys in agriculture and certain trades, in the residential schools. In 1919 school attendance of all physically fit Indian children between the ages of seven and fifteen was made compulsory and in 1931 the compulsory age limit was raised to sixteen years.

*Teacher Training Schools.*—Each province has one or more normal schools, 46 in all, in which there were 7,956 teachers in training in 1931. In all cases except Quebec and Prince Edward Island, where a part of the prospective teacher's academic training is received in the normal schools, the courses are not of more than one year's duration, though Ontario is now experimenting with a plan to bring teachers back for a second year of normal school training after a few years' teaching experience. Except in Quebec some attendance at a normal school or a university training college is now prerequisite to the receipt of a teaching certificate. To train teachers for higher grade certificates all of the provinces except two now have approved teacher training departments connected with their universities.

*Universities and Colleges.*—Canada has 153 institutions providing higher educational facilities. Over 60 of these offer only arts courses, a further 35 are theological colleges, and 15 others confine their instruction to one line of professional training such as agriculture or engineering. Some of these grant degrees but the majority are affiliated to one of the 18 universities which grant more than 95 p.c. of all degrees in the country.

In many of the higher educational institutions French is the chief language of instruction, the three largest being the University of Montreal, Laval University at Quebec city, and the University of Ottawa.

There were 41,168 students of university standard in 1931, and a number almost half as great in the preparatory or high school courses conducted by many of the colleges especially the Quebec classical colleges. The importance of a third class of work—extension activities—done by the universities is difficult to express numerically. Over 22,000 pupils attend evening and Saturday classes, summer schools, and other short courses, but such work extends beyond the walls of the universities to reach hundreds of thousands every year by lectures, radio broadcasts, travelling libraries, lantern slide sets, educative gramophone records, and regular sections in the daily or weekly press.



The New Central Building of the University of Montreal now Under Construction on Mount Royal.

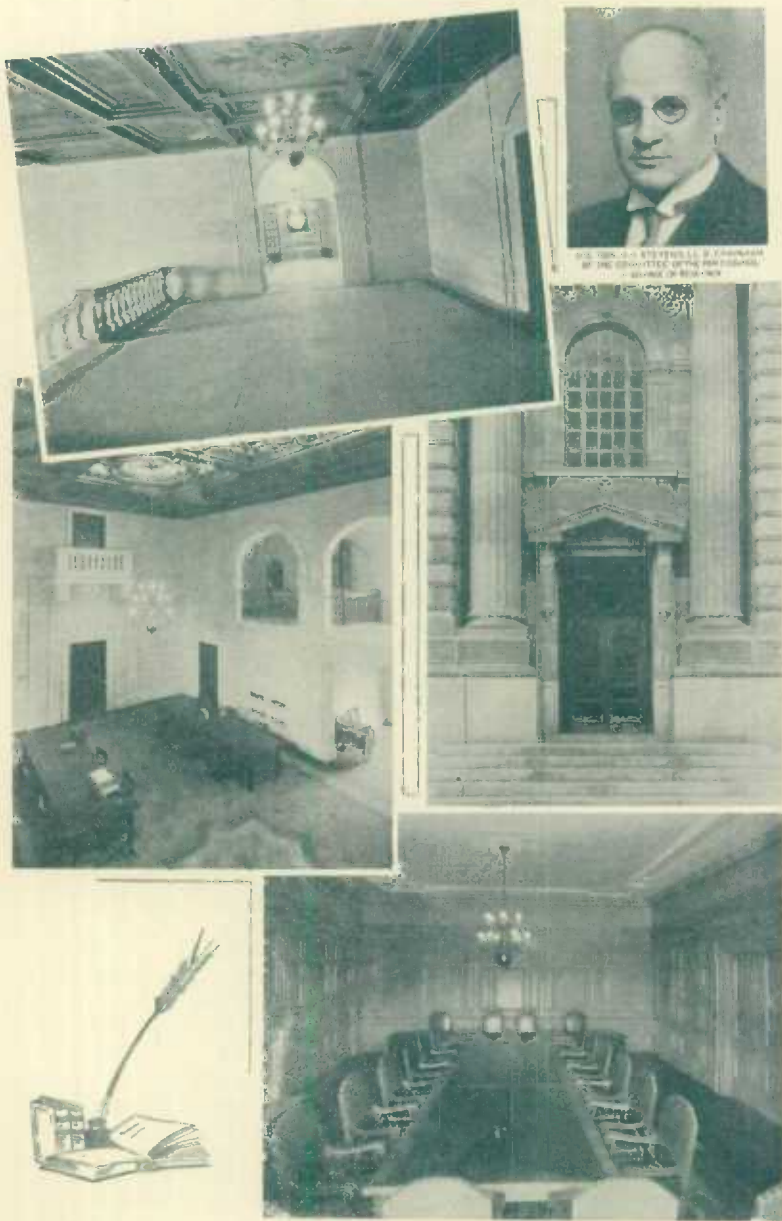
*Courtesy, E. Montpetit, Montreal.*

### Research Councils

The work of the universities in providing a body of skilled men and women to investigate problems of applied science and industry has been facilitated as well as supplemented within the past few years by the formation of organizations for research by the Dominion and some of the Provincial Governments. What is now the National Research Council was first established in 1916, the Research Council of Alberta in 1921, the Ontario Research Foundation in 1928, and the Research Council of Saskatchewan in 1930. Close co-operation is maintained with the universities on the one hand and industrial concerns on the other. The directors of research are generally drawn from the university staffs and are assisted by a selection of young graduates.

The Alberta Council has dealt mainly with fuels, road materials, geological and soil surveys, due to the predominance of agriculture and non-metallie minerals among the province's resources, and space at the provincial university has been used for laboratories. The Ontario Research Foundation is housed in Queen's Park, Toronto, in close proximity to the university, and in 1932 has been conducting studies in five main departments: textiles, metallurgy, veterinary science, chemistry and bio-

# THE NATIONAL RESEARCH LABORATORIES



The upper picture shows one of the main corridors; the main entrance and a corner of the Library are shown immediately below; the Board Room is pictured at the lower right.

*Photographs, Canadian Government Motion Picture Bureau*

chemistry. The scheme of organization under which the Foundation operates provides that half of the cost shall be borne by the Legislature and half by the subscriptions of industries and private individuals.

Six years ago the Government authorized the National Research Council to establish its first laboratory, and early in 1930 investigations were begun in a temporary building in Ottawa in chemical, physical and aeronautical problems. About the same time construction of new laboratories at a cost of \$3,000,000 was begun. These were opened by the Governor General and have been occupied since midsummer, 1932, the original temporary quarters now serving as an annex. The Council itself consists of 15 members, and two classes of associate committees work in conjunction with it. Advisory committees have been established on chemistry, physics, botany, mining and metallurgy, nitrogen fixation, electrical measuring instruments and engineering standards, their function being to report on problems referred to them by the Council. The other type of committee is appointed to direct or undertake definite research problems in co-operation with the Council, and usually has in its membership representatives from other organizations making investigations into the same problems. The Council gives financial assistance to researches in university, industrial and other government laboratories, to facilitate the purchase of equipment or the provision of technical assistance essential to researches that are in hand. Over 100 investigations of this kind are at present being assisted in 25 different laboratories. Further, in order to give graduates of Canadian universities specialized training in scientific investigation, the Council has established a system of post-graduate scholarships. They are of four main classes varying with the qualifications and experience of the applicants; bursaries of the annual value of \$600, studentships \$750, fellowships \$1,000, and a few travelling fellowships valued at \$1,500. All except the last are tenable at the various Canadian universities. These involve an annual expenditure of about \$50,000.

### Public Libraries

Apart from the books that the Canadian reader may buy for his own use or borrow from his friends, there are the following three main sources of reading material to which the public has access:—

First is the lending library operated as a profit-making business from which books may be borrowed, usually at a few cents per day or week. Lending libraries are to be found, usually in connection with a store in towns of all sizes, and though there is no record of the reading done from this source there is no doubt that it is very considerable.

Next comes the church or parish library, the predominating type of community library provision throughout Quebec where there are 275, and in French-Canadian sections of other provinces. The books, usually several hundred in number, are the property of the parish church and are generally kept in it or at the house of the parish priest. Churches in some English speaking communities maintain libraries, but the proportion is not nearly as high as in Quebec where there are comparatively few of the public municipal or association libraries common to the other provinces.

Lastly, in the cities and larger towns of the eight English-speaking provinces there are generally libraries supported wholly or in part by



municipal and provincial funds, but only in Ontario is there a considerable number of established public libraries in smaller communities. In this province there are 473 public libraries (not counting city branches) of which almost half are in unincorporated communities. The numbers of public libraries which are reported as operating in the other provinces in 1931 are: Prince Edward Island, 2; Nova Scotia, 16; New Brunswick, 10; Quebec, 23; Manitoba, 20; Saskatchewan, 28; Alberta, 19; British Columbia, 32; the Yukon, 3. If 700 (the average for Ontario) be taken as the average population served by the libraries in rural or semi-rural communities, the number of persons served by the Dominion's 626 public libraries is about 4,400,000 or 42.4 p.c. of its population. In British Columbia and Ontario the proportion is about 60 p.c.; in the more rural Maritime and Prairie Provinces it is in the neighbourhood of 20 p.c.

In past years smaller communities have had to rely for public library service mainly on "travelling libraries". These are cases of about 50 books, made available from a publicly maintained collection of books at the provincial capital in the five most westerly provinces, and from McGill University's similar system in the four remaining provinces. But since the combined circulation of books from these sources is scarcely a million volumes annually, (fewer than a third of the outside loans of the Toronto Public Library, to mention a comparison) and almost half of this travelling library circulation is in the province of Saskatchewan, they obviously do not take the place of established libraries in supplying reading for the smaller communities. With a view to improving this situation librarians are directing efforts toward the formation of larger administrative library units,—counties or similar areas which will include with the larger towns the smaller settlements and rural areas surrounding them. A five-year experiment now in progress in the Fraser Valley of British Columbia, financed by the Carnegie Corporation, is designed to demonstrate the possibilities of district library organization when it has at its disposal a central repository of books and a convenient means of transporting them (a book-van) from place to place. In some of the Ontario counties, the town libraries have established stations or branches in the adjoining area, and the aim is toward co-operative purchases and general access to a central stock of books by existing libraries. Over a period of three years the Department of Education in Nova Scotia has been gradually introducing a scheme to provide library service in each county by putting in each school, small temporary packages of books, transferable within the county four times yearly. The scheme is considered by its sponsors to be a temporary expedient only, and it is their hope that it will give rise to a demand for county library organization more like that toward which Ontario and British Columbia have been taking steps, and which is generally practised in some other countries.

## CHAPTER XIX

### MISCELLANEOUS STATISTICS

#### Public Health, Hospitals and Charitable Institutions

In Canada, generally speaking, the administration of public health activities and the establishment and maintenance of such institutions is in the hands of the various Provincial Governments, under the powers given them in Sec. 92 of the British North America Act of 1867.

Exercising particular jurisdiction over some phases of the general health of the people of the Dominion is the Department of Health of the Dominion Government, while the Dominion Council of Health acts as a clearing house on many important questions. This Council consists of the Deputy Minister of the Dominion Department of Pensions and National Health as Chairman, together with such other persons as may be appointed by the Governor in Council to hold office for three years. The public health activities of the Dominion Government include the following divisions: Quarantine, Immigration, Leprosy, Marine Hospitals, Venereal Disease, Child Welfare, Sanitary Engineering, Proprietary or Patent Medicine, Laboratory of Hygiene, Food and Drugs, Hospital Advisory Services.



Main Building, Civic Hospital, Ottawa.—This fine hospital is typical of many to be found in the principal cities throughout the length and breadth of Canada.

*Courtesy Dr. Robertson, Ottawa.*

In classifying the various types of social service in Canada certain broad and well-established groups manifest themselves. These divisions are: (1) Hospitals, Dispensaries and Out-patient Departments; (2) Mental

Hospitals and Institutions for the Feeble-minded and Epileptic; (3) Institutions for the Blind, Deaf and Dumb; (4) Homes for Adults and Homes for Adults and Children; (5) Orphanages, Child-caring Institutions, Day Nurseries and Child-placing Agencies and voluntary organizations. The list of voluntary organizations engaged in some branch of social service is a comprehensive one and covers every variety of social service.

The most familiar of all public institutions established to administer and foster the general health of the community is the general hospital common to all cities and towns and prosperous rural communities. Where hospitals cannot be maintained in remote districts, Red Cross outposts or rural clinics in charge of district nurses are established. There were in operation on June 1, 1931, 800 hospitals with a total of 53,032 beds, and with 601 salaried physicians, 676 internes, 3,995 graduate nurses and 9,476 nurses in training. The number of patients treated during 1930 was 623,887 and the collective stay (number of days' treatment) of all patients was 11,680,192 days. The total receipts amounted to \$41,566,517 and the total expenditures for maintenance, \$37,907,923. The total expenditures, including expenditures for maintenance, amounted to \$54,641,268. The average cost per patient per day for all hospitals in Canada during 1930 was \$3.25.

**Number of Public Health and Charitable Institutions for Canada,  
by Provinces, as at June 1, 1931**

Type of Institution	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Yukon and N.W.T.	Canada
Hospitals.....	4	37	30	127	223	44	118	133	109	8	833
Out-Patient Depts.....	2	7	4	52	36	15	12	16	23	3	170
Mental Institutions.....	1	16	1	8	19	4	2	3	5	-	59
Charitable and Benevolent Institutions:-											
Homes for Adults.....	1	8	7	19	63	2	-	-	5	-	105
Homes for Adults and Children.....	-	5	10	39	13	3	-	1	3	-	74
Orphanages.....	2	9	6	39	28	13	5	3	9	-	114
Day Nurseries.....	-	1	-	7	8	2	-	-	2	-	19
Child-Placing Agencies.....	2	15	5	3	65	5	4	5	4	-	108
Blind, Deaf and Dumb.....	-	2	-	5	2	1	-	-	1	-	11
Grand Totals <sup>1</sup> .....	10	93	59	247	421	74	130	145	138	8	1,325

<sup>1</sup>Out-patient departments are not included in the grand totals as the large majority of them are operated in connection with hospitals.

Second in importance to the general hospital are the public mental hospitals for the insane. These hospitals are assisted in their care of indigent patients by municipal and provincial grants. In addition, we have private hospitals for the insane, public hospitals for the feeble-minded, county asylums and institutions for children of retarded mental growth. There are 59 institutions that care for the insane, mentally deficient and epileptic. There were present in these institutions on June 1, 1931, 31,172 inmates. The total receipts for 1930 including government grants and fees were \$13,579,820 and the total expenditures \$13,453,161.

Homes or hospitals for incurables supply maintenance, nursing, medical and surgical aid to persons suffering from chronic and incurable diseases and the nature of the services given is such as to call for special reference. Many hospitals for incurables care not only for those suffering

from incurable diseases but also for the aged, indigent, feeble-minded and epileptic. There were 33 of these institutions in operation on June 1, 1931, with an adult inmate population of 3,095 and a total staff of 1,230. Total receipts amounted to \$1,730,747 and total expenditures to \$1,404,681.

Refuges and homes for adults include hospices, houses of refuge, county and municipal homes, poorhouses and houses of industry, of which there were 105 in operation on June 1, 1931. The number of adult inmates in these institutions on June 1, 1931, was 10,499.

The main theatre of child welfare work in Canada centres in the institutions of which there were 219 on June 1, 1931. Besides these institutions there were 108 child-placing agencies. The total number of children under care on June 1, 1931, was 37,907.

### Judicial Statistics

The collection and publication of criminal statistics was first authorized by an Act of 1876 (39 Vict., c. 13), and the results have been published upon a comparable basis from that time to the present, and are now collected and published by the Dominion Bureau of Statistics under the Statistics Act (8-9 Geo. V, c. 43). It should be remembered that while the criminal code undergoes little change over periods of time, the figures of summary convictions depend very much upon the changes in the customs of the people, and are apt to increase with the increasing urbanization of the population. The most significant column of the following table is the figure of criminal offences per 100,000 of population. Attention may be drawn to the increase in the proportion of both criminal offences and minor offences to population in recent years, convictions for criminal offences having risen from 277 per 100,000 population in 1924 to 424 per 100,000 population in 1931 and convictions for minor offences from 1,535 per 100,000 in 1924 to 3,113 per 100,000 in 1931.

#### Convictions for Criminal Offences, by Groups, and Total Convictions for Minor Offences, years ended Sept. 30, 1921-31, with Proportions to Population.

Year	Criminal Offences							Minor Offences		
	Offences against—			Other Felonies and Misdemeanours	Total of Criminal Offences					
	The Person	Property with Violence	Property without Violence							
	No.	No.	No.	No.	No.	P.c. of all offences	Per 100,000 pop.	No.	P.c. of all offences	Per 100,000 pop.
1921....	8,197	2,609	12,059	2,081	24,946	14.2	284	152,227	85.9	1,731
1922....	7,291	2,783	11,607	2,610	24,291	15.3	271	134,049	84.7	1,498
1923....	7,550	2,076	11,482	3,075	24,183	15.1	266	135,069	84.8	1,487
1924....	7,595	2,536	12,790	2,635	25,556	15.3	277	141,663	84.7	1,535
1925....	7,826	2,749	13,892	2,644	27,111	15.3	289	150,672	84.7	1,610
1926....	7,799	2,296	14,262	2,679	27,036	13.8	287	169,171	86.2	1,802
1927....	8,343	2,671	15,154	2,809	28,977	13.1	304	191,285	86.9	2,009
1928....	9,140	2,991	16,072	3,856	32,059	11.6	332	243,123	88.4	2,517
1929....	10,392	3,529	17,271	4,001	35,193	10.9	359	286,773	89.1	2,927
1930....	11,052	4,647	18,498	6,584	40,781	11.8	410	304,860	88.2	3,068
1931....	11,773	5,288	21,528	5,475	44,064	12.0	424	323,024	88.0	3,113



It should be understood that the classification of offences in the above table is irrespective of the more technical classification into "indictable" and "non-indictable" offences under the Criminal Code, the object here being to show a broad record of criminal and minor offences respectively since 1920.

Of the total convictions for criminal and minor offences for 1930, *viz.*, 367,088, the sentences imposed were: gaol or fine, 274,483; penitentiary, 3,129; reformatory, 1,226; death, 25; and other sentences, 88,225.

Death sentences have fluctuated over the past ten years between a minimum of 12 in 1927 and a maximum of 26 in 1929. For 1930 they were 17 and for 1931, 25.

### Police

Police statistics are collected by the Bureau of Statistics from cities and towns having populations of 4,000 and over. In 1931 there were 150 such municipalities from which returns were received. The following table gives these statistics by provinces.

**Police Statistics, by Provinces, calendar year 1931**

Province	Number of—					Number of the Population to each Policeman	Number of Arrests per Policeman
	Cities and Towns	Population	Police	Arrests	Summons		
Prince Edward Island	1	10,814	10	570	215	1,081	57
Nova Scotia	14	181,491	145	5,921	1,411	1,252	41
New Brunswick	5	87,480	86	2,939	1,624	1,017	34
Quebec	34	1,380,364	2,082	45,134	18,453	663	21
Ontario	66	1,729,472	1,876	35,978	111,486	924	19
Manitoba	7	272,973	321	7,065	20,744	850	22
Saskatchewan	8	142,911	143	3,203	3,380	999	22
Alberta	4	186,747	200	5,033	6,362	934	29
British Columbia	11	351,205	458	10,234	4,629	772	22
Canada	150	4,343,457	5,321	116,977	168,304	816	22

Offences reported to the police numbered 378,226; there were 286,896 prosecutions, resulting in 235,526 convictions. The number of automobiles reported stolen was 11,207 and 10,757 were reported recovered. The value of other goods stolen was \$2,466,415, and the value of goods recovered was \$1,300,005.

*The Royal Canadian Mounted Police.*—The Royal Canadian Mounted Police is an armed force organized in thirteen divisions under a Commissioner, whose headquarters are at Ottawa. The training depot is at Regina, Sask., and all recruits are sent to that point.

The duties of the force, in general terms, are to enforce Dominion statutes, except the criminal code, throughout Canada, to afford police supervision to government buildings and dockyards. The R.C.M. Police also assist the various Departments of the Dominion Government in the prevention of crime, and in some cases in administrative matters, and also police all National Parks, and many of the important Indian Reserves. In the Yukon Territory and the Northwest Territories, the R.C.M. Police enforce all laws, including territorial as well as municipal by-laws.

Under the R.C.M. Police Act, the Governor in Council is empowered to enter into arrangements with the Government of any province of Canada for the use or employment of the R.C.M. Police to enforce all provincial laws, upon payment for their services, and in this connection, an agreement was entered into with the province of Saskatchewan on June 1, 1928, with the provinces of Alberta, Manitoba, Nova Scotia and New Brunswick on April 1, 1932, and with Prince Edward Island on May 1, 1932. In addition, on April 1, 1932, the duties of the force were further enlarged when it assumed the duties of the Preventive Service for the Customs authorities, which provided new work in coastal waters, as well as on land.



The Royal Canadian Mounted Police carry Security and Order to the Remotest Parts of Canada.—Whether in connection with the Preventive Service for the Customs authorities, the enforcement of provincial law in certain cases, or the maintenance of law and order among the Eskimos, the Force is renowned for its efficiency.

*Courtesy Department of the Interior.*

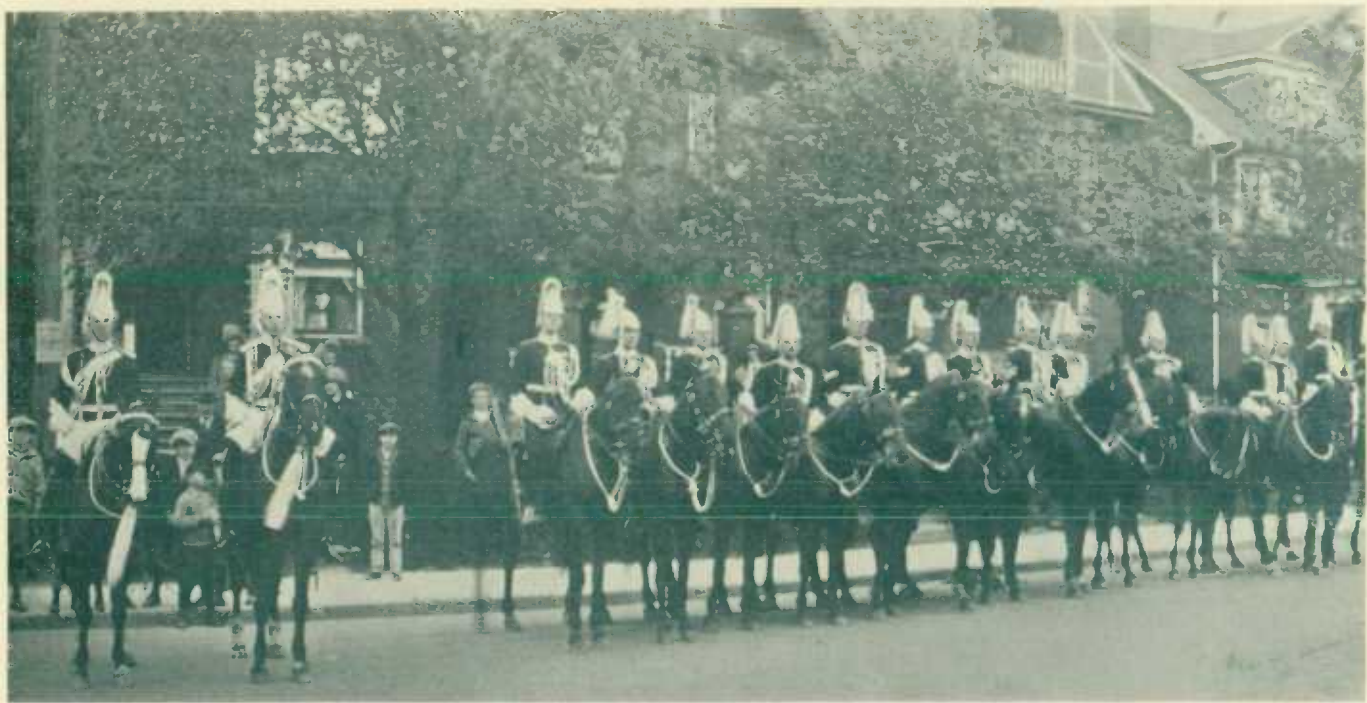
In the Canadian Arctic and sub-Arctic, the R.C.M. Police have detachments distributed at strategical points to afford protection to the native population, and enforce the laws, including those for the conservation of game and wild life.

On September 17, 1932, the strength of the force was 91 commissioned officers and 2,260 other ranks—a total of 2,351.

### National Defence

*Militia.*—Canada is organized in 11 military districts, each under a Commander and his District Staff.

The militia of Canada is classified as active and reserve, and the active is subdivided into permanent and non-permanent forces. The permanent



An Escort of The Governor General's Body Guard of Toronto.

*Courtesy Lt.-Col. E. A. Devitt, Hon. Secretary, Canadian Cavalry Association.*

force consists of 14 regiments and corps of all arms of the service, with an authorized establishment limited to 10,000, but at present the strength is about 3,500. The non-permanent active militia is made up of cavalry, artillery, engineers, machine gun, signalling, infantry and other corps. The total establishment of the Canadian non-permanent militia totals 9,029 officers and 125,678 other ranks.

The reserve militia consists of such units as are named by the Governor in Council and of all able bodied citizens between the ages of 18 and 60, with certain exemptions. The reserve of the active militia consists of (1) reserve units of city and rural corps, (2) reserve depots, (3) reserve of officers.

The appropriation for the militia for the year ending March 31, 1933, is \$8,507,900, as compared with an expenditure of \$10,232,000 for the fiscal year 1932.

*Air Force.*—The Air Force in Canada consists of the Royal Canadian Air Force classified as active and reserve. The Active Air Force is subdivided into the Permanent Active Air Force and the Non-Permanent Active Air Force.

The Royal Canadian Air Force controls and administers all Air Force training and operations, including operations carried out on behalf of other Government departments. The Aeronautical Engineering Division of the Air Force, in addition, acts in an advisory capacity on technical matters to the Controller of Civil Aviation and to civil aviation organizations.

The strength of the Royal Canadian Air Force on Aug. 1, 1932, was 99 officers and 601 other ranks.

*Civil Aviation.*—The Controller of Civil Aviation is concerned with the administration of the Air Regulations and the control of commercial and private flying.

The total appropriation for aviation for the fiscal year 1932-33 was \$1,750,000.

*Navy.*—The Royal Canadian Navy was established in 1910. Its authorized complements are: 104 officers and 792 men of the permanent force (Royal Canadian Navy); 70 officers and 430 men of the Royal Canadian Naval Reserve; and 70 officers and 930 men of the Royal Canadian Naval Volunteer Reserve. The vessels at present maintained in commission are: the destroyers *Champlain* and *Saguenay* and the minesweepers *Festubert* and *Ypres*, based on Halifax, N.S.; the destroyers *Vancouver* and *Skeena* and the minesweeper *Armentières*, based on Esquimalt, B.C. H.M.C. Dockyards are at Halifax and Esquimalt, having been taken over from the Imperial Government in 1910. Naval depots are maintained at both bases, and are used as training headquarters for the personnel of the R.C.N., R.C.N.R., and R.C.N.V.R.

The appropriations for naval services for 1932-33 amounted to \$2,462,000. The expenditure for the year ending Mar. 31, 1932, was \$3,043,510.



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