

MONTHLY INDEX*

(1926=100)

Fiscal Years	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.-Apr. Av.
1938-39.....	112.4	110.7	108.4	109.1	110.5	119.2	118.6	123.4	115.6	113.0	111.7	114.9
1939-40.....	116.7	121.4	121.4	120.5	125.2	125.8	133.1	133.0	133.3	138.6	131.2	137.0

* Seasonally adjusted.

The recovery from the depressed level of business activity of 1938 which had become evident in the early months of 1939 continued throughout the year and was accelerated by the outbreak of war in September. Each month in the past fiscal year was considerably above the corresponding month in the year previous, and the average for 1939-40 of 126.9 was about 11.5 per cent above that of 1938-39. The March-April figure for 1940 was 19.2 per cent higher than that for 1939, and has only been exceeded in one month in 1929, and in January of this year.

It may be of interest to compare this expansion of 19.2 per cent in the physical volume of business with the expansion in employment in all industries of about 6.6 per cent between March-April, 1939, and March-April, 1940. This suggests that the increased production has been achieved in considerable degree by a reduction in part-time work.

AGRICULTURE

3. The gross value of agricultural production in 1939 increased by about 10 per cent over the previous year and reached the highest level since 1930. In general, it was a year of good crops, but of low prices. The wheat crop of 490 million bushels was the second largest in our history. In quality it was about normal, through relatively highly concentrated in No. 1 northern grade. The area of poor crops was very much reduced from preceding years. The average price received by the farmer at the farm for his 1939 wheat, up to December 31, has been estimated at 52c. a bushel compared with a revised figure of 59c. for the 1938 crop.

One of the most outstanding features of Canadian agriculture in the past year has been the great increase in hog production and marketings since the summer of 1939. Hog marketings in the eight months from September to April amounted to 3,213,373 compared with 2,244,765 in the eight months a year before. Indications are that hog production and marketings in 1940 will be the largest recorded in the history of the industry. Hog prices declined during the spring of 1939, and during the summer months were lower than in the previous two years. They rose during the fall months and were fairly well stabilized during the first three months of this year under the operation of the Bacon Agreement with the United Kingdom, but they have weakened in recent months as a surplus of hog products has accumulated, and in April were below the levels of the past three years.

Among the branches of agriculture most affected by the war is that of apple production, since exports of apples to British and foreign markets have been severely curtailed. The apple crop of 1939 was a very large one, exceeded only by 1933 in the last fourteen years, but the average value received per unit fell to a level lower than that for any year of the same period and, consequently, the total value of the crop was much below that of recent years. The dominion government provided assistance in the marketing of the apple crop, including special arrangements for processing apples in Nova Scotia which is more dependent than other regions upon the export market.

It will be noted in the table below that the general index of farm prices in March-April of 1940 had increased by about 10 per cent over the level of a year before.