

The Position And Prospects At Close of Year 1934

Hon. R. B. Hanson, K.C., M.P., Minister of Trade and Commerce Points Out the Remarkable Progress Made During the Year — Recovery Is Steadily Going Forward.

Canada, all things considered, has made remarkable progress during 1934. Recovery from the great depression has been steadily going on and the Dominion enters upon the new year with brighter prospects than in any other year since the depression commenced.

The recovery that has taken place has been very largely due to the influence of the Ottawa agreements, providing us with preferential markets in the greatest importing nation in the world as well as in the other Dominions. Meanwhile the United Kingdom itself has experienced a substantial measure of prosperity and its official index number of industrial production stands in the third quarter of 1934 at 105.3 per cent of the 1924 level as compared with 96.8 per cent in the corresponding period of 1933. British imports in the first ten months of 1934 amounted to £605,393,000 as compared with £549,218,000 in the same period of 1933 and British exports of domestic products to £325,756,000 as compared with £302,527,000. Again, these imports are coming more and more largely from the countries of the British Empire and the exports are going more and more largely to the Dominions and the colonies. Thus the sentimental bonds that unite the Empire are being more and more reinforced by the economic bonds of intra-Empire trade.

Big Increase In Exports

As for Canadian trade, the total exports of Canadian merchandise in the latest twelve month period ended October 1934 were \$638,226,000 as compared with \$508,996,000 in its predecessor, an increase of \$129,230,000, or about 25½ per cent. Exports of the products of the farm, the fisheries, the forests and the mines all showed increases. Again, exports of coin and bullion not included with merchandise exports also scored a remarkable advance, due in the main to the higher prices secured for our newly mined gold. They were \$84,981,000 in the twelve months ended October 1934 as compared with \$58,460,000 in the same period of 1933.

When merchandise exports and bullion exports, which are practically all the new product of our gold mines, are taken together, the grand total exports of Canada in this latest twelve month period had a value of \$730,923,000 as compared with \$580,512,000 in the preceding twelve month period, an increase of over \$150,000,000.

Imports, too, have increased in this latest twelve month period ended October, reaching \$503,557,000 as compared with \$388,865,000 in the preceding period, an increase of \$114,692,000 or more than 29 per cent, with the incidental result of increasing our gross customs revenue by nearly \$13,000,000. Particularly notable among the imports was an increase of 55 per cent in the imports of iron and its products, indicative of rising industrial activity.

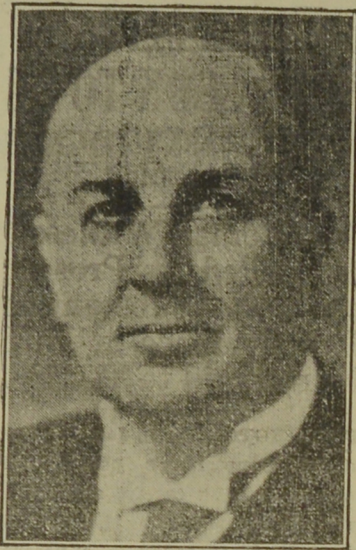
Canada's favorable balance of merchandise trade amounted in the latest twelve month period to \$141,824,000 as compared with \$126,097,000 in the preceding twelve month period and \$51,672,000 in the similar period ended October 1932. When our trade in coin and bullion is included, as it may well be in consequence of our large production of new gold, our balance of total visible trade rises to \$226,532,000 in the latest twelve month period as against \$190,841,000 in its predecessor and \$114,227,000 in the corresponding period of 1932.

Even more remarkable than the increase in our total trade is the change in its distribution. More and more our trade is turning in the direction of the Empire. Our merchandise exports to the United Kingdom in the latest twelve month period were \$269,487,000 as compared with \$197,898,000 in the same period of 1933 and \$179,510,000 in the same period of 1932, an increase of over 50 per cent in two years, at a time when foreign markets were difficult to find. As for the Dominions, South Africa in the latest twelve month period took from us more than double of what she did in its predecessor and our exports to New Zealand recorded an increase of 79 per cent and to Australia 66 per cent. Altogether in this latest twelve month period, 52.2 per cent of the exports of Canadian merchandise went to Empire countries as compared with 47.2 per cent one year ago and 42.7 per cent two years ago. Thus today the larger half of our export business is done with Empire countries, the Empire providing the chief market for Canadian goods.

Our total imports from the United Kingdom in the last twelve month period ended October have been \$113,210,000 as compared with \$94,969,000 in the preceding period and \$93,807,000 in the same period and \$93,807,000 from the Empire as a whole our total imports have been \$155,120,000 in the last twelve months as compared with \$128,863,000 in the preceding twelve months and \$129,405,000 in the same period of 1932, thus recording substantial increases.

Imports from the United States have been markedly higher in the latest period than in its predecessors, as have also exports. These imports were \$286,249,000 in the twelve months ended October 1934 as compared with \$210,853,000 in the similar preceding period, being an increase of over \$75,000,000, largely accounted for by imports of raw cotton, iron and its products and other things needed for use in our advancing manufacturing industries.

The disturbed state of the world outside of the peaceful circle of the English-speaking countries, is shown by the drop in the proportion of our trade that is done with these countries. Our exports to foreign countries, other than the United States have fallen



HON. R. B. HANSON, K.C., M.P.
Minister of Trade and Commerce who
Speaks Encouragingly of Our
Prospects.

from 22.7 per cent of the total in the twelve months ended October 1932 to 21.4 per cent and 15.5 per cent in the corresponding periods of 1933 and 1934 respectively. Of the \$99,000,000 worth of goods exported to foreign countries other than the United States, in the latest twelve month period, nearly nearly \$45,000,000 worth or 45 per cent to those countries of Northwestern Europe, namely the three Scandinavian countries of the sterling bloc, the Netherlands, Belgium and France, whose commercial policy is the nearest to that of the English-speaking countries. The growth of our external trade described above is, of course, based upon the expansion of our productive activities. Accordingly a brief reference may now be made to the different lines of production and general business in 1934.

Agriculture

The preliminary estimate of the value of Canadian field crops is placed at the relatively high figure of \$536,498,600, being nearly \$113,000,000 or 27 per cent above the 1933 valuation and considerably the highest figure in the last four years. Farmers in nearly all the provinces of Canada are sharing in these increased values. The prevailing live stock prices have been slightly above those for 1933, with the United Kingdom an important outlet for bacon and live cattle in particular. Dairying has also been a relatively profitable farm operation during most of 1934; the production of cheese has declined, but there have been increases in creamery butter and other dairy factory products. Prices of both eggs and dressed poultry have been above the 1933 levels. Generally speaking, the prices received by farmers for their products have risen more than those of the commodities which they buy, while debt adjustments and lower rates of interest have alleviated the farmer's position in 1934 and are expected to continue in 1935.

Forestry

The forestry industries of Canada have achieved remarkable progress in the latest year, especially in recent months. Exports of planks and boards were 41 per cent higher in the first ten months of 1934 than in the same period of 1933. Similarly, newsprint production has risen from 1,834,000 tons in the first eleven months of 1933 to 2,358,000 tons in the same period of 1934, an increase of 28 per cent. Employment in the logging industry was at a high point on the latest date, indicating a busy winter in the bush.

Fisheries

The total exports of fisheries products in the twelve months ended October 1934 were \$21,482,000, an increase of \$2,912,000 or over 15 per cent more than in the same period ended 1933.

Mining

The half-yearly report shows the value of production of metallic and non-metallic minerals in the first half of 1934 at \$121,942,000 as compared with \$90,647,000 in the same period of 1933, an increase of \$41,295,000 or 45½ per cent. The latest figures of production and employment in the mining industry indicate that this improvement has continued down to the present time.

Electric Power

The production of electric power in the first ten months of the current year has surpassed all previous records, being 17,128 million kilowatt hours as compared with 14,143 million kilowatt hours in the same period of 1933, an increase of 21 per cent. The installation of new hydro-electric power plants is still going on, indicating confidence in an increasing demand for power and therefore in the industrial future of the Dominion.

Manufactures

The manufactures of Canada are of such infinite variety that it is difficult to appraise them in any brief way. However it may be stated that the physical volume of manufacturing production in the first ten months of 1934 was 19.6 per cent, or practically one-fifth greater than in the same period of 1933. Pig iron production and steel ingot production were more than doubled, while automobile production showed an increase of 86 per cent and imports of crude rubber an increase of 56 per cent. Practically all the main branches of manufactures have shown progress and the manufacturers have employed nine persons in 1934 for every eight persons they employed in 1933.

Construction

The aggregate of construction contracts awarded in the first eleven months of 1934 was \$119,749,000 as compared with \$89,052,000 in the same period of 1933, an increase of 34 per cent.

Railway Traffic

The gross earnings of the Canadian lines of the Canadian National Railways together with those of the Canadian Pacific Railway, in the first eleven months of 1934, totalled \$244,314,000 as compared with \$220,200,000 in the same period of 1933, an increase of \$24,114,000, or 10.9 per cent, indicating improving business. The net operating revenues of all Canadian railways in the first nine months were \$29,838,000 as compared with \$18,677,000 and the operating income \$20,714,000 as against \$10,084,000. Increased earnings were made possible by an increase of 14½ per cent in the car loadings of revenue freight up to December 1st.

Shipping

The aggregate cargo tonnage of five main ports of Canada, namely Halifax, Saint John, Quebec, Toronto and Vancouver, was 11,626,000 tons in the first ten months of 1934 as compared with 10,758,000 tons in the same period of 1933, an increase of 8 per cent.

Prices

The index number of wholesale prices stood at 71.2 per cent of the 1926 total in November 1934 as compared with 68.9 per cent in November 1933, an increase of 3.3 per cent. This increase of prices tended toward the restoration of business confidence and it is noteworthy that the gap between the prices of raw and manufactured commodities was narrowed, assisting the primary producer. The price of money had fallen the yield of Ontario bonds being 3.88 per cent in November 1934 as compared with 4.66 per cent in the same month of 1933, tending to produce a revival of productive enterprise through the providing of cheap capital.

Public Finance

The ordinary revenue for the first eight months of the current fiscal year shows an increase of \$28,160,000, or approximately 13 per cent over last year. This total ordinary revenue of \$245,063,000 was \$1,605,000 in excess of total ordinary expenditure, while in the same period of last year it was \$22,114,000 less than ordinary expenditure. This indicated improvement in our finances has resulted in the strengthening of the national credit and lower rates of interest on Government bonds. The aggregate saving on the annual interest charge of the original fifteen year 5½ per cent bonds which matured on November 1st, 1934, as a result of conversion to lower rates of interest, has been \$7,552,000 and the total saving in interest charges since 1930 aggregates \$14,616,000.

Banking

The Canadian banks have maintained their savings deposits at a high level in spite of recent reduction in interest rates, while current loans are advancing. Savings deposits on October 31st were \$20,000,000 more than at the same date of 1933. Current loans, representing investment in Canadian business, have recently advanced from \$850,637,000 on July 31st to \$895,729,000 on October 31st, after a long and continuous decline extending over the last five years.

Bank Debits

The business transacted through the transfers of money in bank accounts through the use of cheques and other documents amounted to \$29,827,000,000 in the first eleven months of 1934 as compared with \$27,480,000,000 in the same period of 1933, being an advance of \$2,337,000,000 or 8.5 per cent, indicating reviving business.

Employment

Reported employment during the first eleven months of 1934 has shown an increase of 15.9 per cent as compared with the same period of 1933. On November 1st, the latest date for which we have record, the reporting firms employed 937,000 persons as compared with 845,000 employed on the same date of 1933. After allowing for addition of new firms, the gain in the index number was from 91.3 in November 1933 to 100.2 in November 1934, or nearly 10 per cent. This would probably represent an increase of some 140,000 to 150,000 employees in the industrial groups covered by the monthly statistics of employment.

Conclusion

In conclusion it may be affirmed with confidence that Canada commences the new years with prospects much improved for those of any other recent year since the commencement of the depression. The realization of Imperial Preferential Trade is still progressively proceeding and furnishing Canada with a sure market on a preferential basis in the largest importing country in the world and throughout the far-flung Dominions and colonies that are so widely scattered over the whole surface of the globe. It is to be anticipated that the peace and relative prosperity which prevails among the many peoples of all colours and creeds that dwell under the spreading folds of the Union Jack will constitute a model and a basis on which an even larger League of Nations may rest in days to come, and that the growth of general international trade, based upon increasing confidence in the maintenance of international peace and goodwill.

N. B. POWER COMMISSION IN SESSION TODAY

ST. JOHN, Jan. 2—A meeting of the New Brunswick Electric Power Commission is scheduled to be held here this morning in the commission rooms, Provincial Building. Hon. E. A. Reilly, K.C., of Moncton, chairman of the commission, arrived here last night for the meeting, as did F. J. Robidoux, of Shediac. They were registered at the Royal Hotel.

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