

production, as compared with an increase of only 2.7 p.c. for the industries producing non-durable goods. For manufacturing as a whole the increase was 6.1 p.c., the index at 242.1 being only 0.2 points below the record wartime level attained in 1944.

As was to be expected, the industries producing for national defence made the greatest gains in production during 1951. Accordingly, most of the industry groups producing durable goods reported increased activity, while only a few of the industry groups producing consumer goods reported increases in production. The transportation equipment group, with an increase of 20 p.c. in physical volume, experienced the greatest expansion in production. This was followed by products of petroleum and coal with 13 p.c., iron and steel products 11 p.c., non-ferrous metal products 10 p.c., non-metallic mineral products 9 p.c., paper products 8 p.c., electrical apparatus and supplies 7 p.c., chemicals and allied products 6 p.c., rubber products 5 p.c., foods and beverages 4 p.c., wood products 3 p.c., and miscellaneous industries 0.5 p.c. In the non-durable goods sector, the greatest decline in physical volume of production was reported by the leather products group with 8 p.c., followed by tobacco and tobacco products with 6 p.c., clothing 4 p.c., textiles 2 p.c. and printing, publishing and allied industries 0.3 p.c.

Manufacturing establishments reporting in 1951 numbered 37,021. These plants furnished employment to 1,258,375 persons who received \$3,276,280,917 in salaries and wages. They also produced goods with a selling value at the factory of \$16,392,187,132 and spent \$9,074,526,353 for materials, while the value added by manufacture totalled \$6,940,946,783. It should be remembered that the value added by manufacture does not represent the manufacturers' profits. The value added is obtained by subtracting the cost of materials, including fuel and electricity, from the value of products. The difference represents the value added to the materials by labour. It is this difference which the employer of labour uses to pay for the labour itself, overhead expenses and interest and profits. Compared with the previous year, there was an increase of \$998,888,554 in the value added by manufacture.

Fifteen leading industries accounted for nearly 50 p.c. of total value of production of all industries in 1951. The largest industry—pulp and paper—which has been steadily expanding since the end of the War, is embarking on a further stage of development. From 1946 to 1951, the physical volume of production of the industry increased by one-third and new projects were under way or in an advanced state of planning. For example, in British Columbia a \$40,000,000 mill was nearing completion and projects involving around \$75,000,000 were under construction. Other multi-million-dollar plants were scheduled for Alberta, and significant additions to capacity were planned by a number of Ontario and Quebec companies. In 1951, a 5-p.c. increase was secured in newsprint production by speeding up machines and by more efficient plant operation. New mills contributed to a 20-p.c. increase in market pulp production and a 14-p.c. increase in the output of paperboard and papers other than newsprint. The gross value of production of this industry rose from \$954,000,000 in 1950 to \$1,238,000,000 in 1951. The industry ranks first in wages paid, first in new investment, first in exports as well as first in value of output. It produced one-quarter of the world's output of wood-pulp. Most of the production was processed domestically to provide 54 p.c. of the world's supply of newsprint.

Five industries in the foods and beverages group ranked among the 15 largest in Canada. Because of the basic importance of agriculture to the Canadian economy these industries are in the forefront of industrial activity. The raw products of the