

The 1953 advance in value was accounted for by an increase of 6.8 p.c. in the physical volume of production, offset by price declines. The index of physical volume of production at 263.0 (1935-39=100), was 20 points above the peak wartime level attained in 1944. Accompanying the rise in output was an increase of 3.0 p.c. in the number of persons employed and of 8.7 p.c. in the amount of salaries and wages paid. Salary and wage payments at \$3,957,018,348 were the highest on record and exceeded the previous high reported in 1952 by \$319,398,188.

Manufacturing establishments reporting in 1953 numbered 38,107. Of these, 939 were located in Newfoundland, 216 in Prince Edward Island, 1,591 in Nova Scotia, 1,094 in New Brunswick, 12,132 in Quebec, 13,114 in Ontario, 1,540 in Manitoba, 1,062 in Saskatchewan, 2,072 in Alberta, 4,317 in British Columbia and 30 in the Yukon and Northwest Territories. These plants furnished employment to 1,327,451 persons who received \$3,957,018,348 in salaries and wages, produced goods with a selling value at the factory of \$17,785,416,854 and spent \$9,380,558,682 for materials, while the value added by manufacture totalled \$7,993,069,351. 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, the overhead expenses, interest and profits. Compared with the previous year there was an increase of \$802,729,819 in the value of factory shipments.

**Development in Canada's Leading Industries.**—In Canada fifteen leading industries account for about 45 p.c. of the value of manufacturing production. The largest industry, pulp and paper, had a gross value of output of \$1,180,000,000 in 1953. In little over half a century the Canadian industry has become one of the major enterprises of the world. Several factors were responsible for this growth: Canada possesses over half of the pulpwood resources of North America, cheap and abundant water power is found close to pulpwood stands, and extensive river systems can be used to transport pulpwood to the mills. Other important factors include the steady growth of population on the North American Continent, the increase in literacy, the rise of voluminous metropolitan dailies, the adoption of technical improvements in the printing and building trades and the growth of modern merchandising techniques. In recent years extensive development in the field of non-paper uses for dissolving pulp, such as rayon and plastics, has contributed to the growth of the industry.

In the period 1946-53 the pulp and paper industry in Canada more than doubled its value of production. The volume of newsprint output advanced 38 p.c., mechanical pulp 28 p.c., chemical pulp 51 p.c., paperboard 39 p.c., and wrapping paper 36 p.c. The significance of the industry in the postwar period is indicated by the fact that it ranked first in wages paid, first in new investment, first in exports as well as first in value of output. This industry produced 21 p.c. of the world's output of woodpulp and supplied 30 p.c. of the world's total pulp exports, provided more than one-half of the world's newsprint and a significant amount of other grades of paper and paperboard.

In 1953 the output of newsprint continued to expand, registering an 0.8 p.c. increase over 1952. Sales of other paper products and of pulp also increased. The increase in newsprint production was accounted for by larger exports, which totalled \$619,000,000 in value.

Four of Canada's fifteen largest manufacturing industries are included in the food and beverages group. The slaughtering and meat packing industry ranked fourth in 1953 with a gross value of sales of \$829,000,000, butter and cheese ninth with gross sales of \$397,000,000, miscellaneous food preparations thirteenth with \$284,000,000 and bread and other bakery products fourteenth with \$278,000,000. The level of activity in Canada's food processing establishments exerts a major influence on over-all employment and income. The food industries have experienced a wide shift in the importance of various markets. Production for overseas trade received considerable impetus during World War I