

It should be noted also that the addition of about 368,000 persons to the population in 1961 supplemented labour income and had a stimulating influence on the output of the consumer goods industries.

Of tremendous importance in sustaining the level of production in 1961 was the continued high spending on capital goods. Although the total investment in capital goods, amounting to \$8,172,000,000, was \$90,000,000 lower than the total for 1960, the \$5,518,000,000 spent for construction was \$65,000,000 higher. Thus the decrease in the total was more than accounted for by the decrease in the portion spent for machinery and equipment which, at \$2,654,000,000, was down by \$155,000,000 compared with 1960. The high level of construction activity and an increase in exports of timber and lumber was reflected in increases of 4.4 p.c. in the volume of output of the non-metallic mineral products group and of 2.6 p.c. in the volume of output of the wood industries group.

Export demand for Canadian manufactured products was also a strong factor in stimulating production in 1961. Exports of fabricated materials advanced from \$2,874,300,000 in 1960 to \$2,916,400,000, an increase of 1.5 p.c., and substantial improvements were shown in the amounts of timber and lumber, wood pulp, newsprint, whisky, nickel, fertilizers, aircraft, lead and lead products, non-farm machinery and synthetic plastics going abroad. At the same time declines occurred in such major export items as shingles, veneer and plywood, wheat flour, farm implements and machinery, aluminum and its products, copper and its products, zinc, automobiles and parts, artificial abrasives, synthetic rubber and plastics and uranium ores and concentrates.

As already mentioned, the index of the physical volume of production for manufacturing as a whole reached an all-time high of 153.0 in 1961. During 1960 and 1961 the volume of non-durable or consumer goods produced increased 3.4 p.c. and the volume of durable goods advanced 1.4 p.c. Since the end of World War II, production of the non-durable goods industries experienced an almost uninterrupted expansion but recorded an increase in volume of only 54 p.c. between 1946 and 1956, while durable goods increased 92 p.c. in the same period. The gap between the two sectors was narrowed in the years 1957-61, so that for the whole period 1946-61 durable goods expanded 86 p.c. and non-durable goods 75 p.c.

All industries producing non-durable goods, with the exception of the clothing and knitting mills group, reported increased volume in 1961. The miscellaneous industries group increased by 11.2 p.c., followed by leather products with an increase of 10.7 p.c., textiles 9.9 p.c., tobacco and tobacco products 6.4 p.c., paper products 3.4 p.c., products of petroleum and coal 3.3 p.c., foods 2.8 p.c., beverages 2.1 p.c., rubber and rubber products 1.7 p.c., printing, publishing and allied industries 1.1 p.c. and chemicals and allied products 1.1 p.c. Volume output of clothing factories and knitting mills declined 0.7 p.c. The significant feature was the upsurge in the output of leather products and textiles. These two groups, which had been operating for some years at comparatively low levels, materially bettered their positions during 1961. The clothing and knitting industries, however, still had the smallest increase in volume since 1949 in both the non-durable and durable goods sectors.

In the durable goods sector the trend in 1961 was mixed; four groups increased and two declined. The non-metallic mineral products group reported the highest increase of 4.4 p.c., followed by wood products with 2.6 p.c., iron and steel products 1.5 p.c. and electrical apparatus and supplies 1.3 p.c. The output of non-ferrous metal products dropped 0.5 p.c. and transportation equipment 0.2 p.c.

The level of manufacturing activity in 1961, as measured by the number of persons employed, was lower in all provinces except Newfoundland and New Brunswick; these provinces recorded increases of 6.1 p.c. and 1.2 p.c., respectively. The greatest loss in employment was suffered by Nova Scotia with a drop of 4.8 p.c. This was followed by Saskatchewan with a decrease of 3.9 p.c., British Columbia 2.3 p.c., Alberta and Quebec 1.8 p.c., Manitoba 1.6 p.c., Ontario 1.2 p.c. and Prince Edward Island 0.3 p.c. Perhaps the most outstanding feature was the reversal in the trend of manufacturing employment in Saskatchewan which, after three successive years of increases, reported the second largest decline.