

period of the Aircraft and parts industry. It has thus been particularly affected by higher consumer incomes, competitive shifts in freight transportation and the defence effort. The same changes that have favoured truck production, however, have adversely affected the railway rolling-stock industry. Shipbuilding activity has been subject to a combination of influences but especially to the rise of this industry in countries with lower wages.

The relatively low over-all growth rate of the *Foods and beverages* group, which represents a large universe of rather diverse individual industries, can be explained by the fact that per capita expenditure on food tends to rise less rapidly than per capita real income. The sub-group of food industries has increased its physical output at an average rate of 3.6 p.c. a year over the 1946-65 period, exactly the same growth rate as that applying to total personal expenditure on food, adjusted for price changes. This is less than the 5.0-p.c. growth rate of the beverage industries, more favoured by the uptrend in consumer purchasing power. Both categories have, of course, increased on a per capita basis since population grew at a rate of only 2.6 p.c. over the period. There has been some trend toward consumption of food in more highly processed forms, which has assisted the food manufacturing industries. This has resulted from higher incomes and, probably, from the increasing numbers of housewives entering the labour market, both factors favouring the increased substitution of factory preparation of food for preparation in the kitchen. This reached its ultimate form in the pre-cooked frozen dinner, which is part of an important technological development, frozen foods.

The growth of the *Non-ferrous metal products* group has been relatively stable at 3.8 p.c. a year for both the postwar period and the latest 10 years, although there has been year-to-year fluctuation with the business cycle. The industry group includes both the primary metal and the metal fabricating industries. As will be seen from the statement on p. 674, the smelting and refining industry, influenced largely by the export market, grew at a faster rate than the group as a whole for the 1946-65 period—4.2 p.c. a year.

Because the *Wood products* group is strongly influenced by exports, particularly to the United States, the dominant influence on its growth over the postwar period has been the rate of growth of the North American market for lumber. This market was somewhat adversely affected by the rapid rise of the plywood industry in the United States, which made some inroads on the lumber requirements in that country. (Tariffs discourage export of Canadian plywood to the United States in large quantities.) However, in recent years the Canadian industry has increased its share of the United States lumber market. The output of the furniture industry has had about the same postwar rate of growth as dwelling unit completions, although it should be noted that the industry also includes non-household furniture and non-wood products.

The *Clothing* and the *Leather products* groups were in the lowest range of growth rates for both the 1946-65 and the 1956-65 periods. This ranking is consistent with experience in various countries of the world, that per capita consumption of these products grows less rapidly than per capita real income. These industries are also subject to import competition, the effect of which, as noted earlier, has usually not been assessed in these analyses. The average annual growth of the Leather products industries has been more rapid in the latest 10-year period, following the marked decline that had taken place in the years immediately following World War II.

All industry groups which grew more rapidly than manufacturing as a whole over the 20-year period were characterized by a faster rate of expansion during the earlier postwar period than during the later postwar period. On the other hand, most of the other industry groups grew more rapidly during the 1956-65 period than during the earlier period.