

Higher consumer incomes have been strikingly reflected in the consumption of food which has risen by 12 p.c. in a two-year period. Thus, per capita consumption of food has shown a significant rise for the first time since the immediate post-war years. The rise in meat consumption has been especially pronounced, beef and veal, for example, being up more than 25 p.c. in the first six months of 1953 compared with the same period in 1952.

The growth of domestic demand for household durables has also been pronounced since early 1952. In that period, low consumer buying had resulted in much unused capacity in these industries. Conditions improved during the year with strengthening of the home market and most durables industries entered 1953 at increased production levels. Continued high and rising incomes, an expanding housing program and a reviving replacement market have helped maintain demand for household appliances in 1953. Yet, during most of 1953, both production and imports have been running ahead of sales. As a result, toward the end of the year there have been signs of excessive accumulation of inventories in some appliance lines.

Sales of new passenger automobiles have shown a substantial increase over the previous record established in 1952. Aided by increased consumer credit, sales of automobiles, both new and used, have provided one of the best examples of the strength of the consumer market in Canada. Partly offsetting this growth of domestic sales, however, has been a decrease in 1953 in motor-vehicle exports, particularly to South America. Within Canada, while the strong demand has continued to attract British and American imports, the bulk of the rise in passenger-car sales has been reflected by output of Canadian factories. This, of course, has included not only assembly plants but also industries supplying raw materials, parts and accessories.

Rising incomes and the expansion of consumer credit have also been reflected in the purchase of clothing in 1953. Increases in retail sales over 1952 levels have not resulted in equivalent increases in manufacturing, however, because of a larger volume of imports both of textile fabrics and of finished garments.

*Capital Goods Industries.*—Activity in the capital goods industries has, of course, been strongly influenced by the changing nature of the defence and investment programs. Sales of agricultural implements and industrial machinery in 1953 have been below 1952 levels, while building materials, railway rolling-stock and office and store equipment have been in increasing demand. Higher levels of capital goods imports arose in part as a result of increasingly competitive offers among foreign sellers of mass-produced types of equipment. Perhaps more important has been the trend of investment towards industries that normally use imported machinery, such as the machine tools for manufacturing transportation equipment, and much of the apparatus used in non-ferrous metal manufacturing. At the same time, the pulp and paper industry, which uses principally domestically manufactured machinery, has been investing at a slower rate in 1953. Meanwhile, export sales of Canadian-made agricultural and industrial machinery, and office and store equipment have slowed in 1953, while exports of railway rolling-stock have been maintained at good levels.

*Minerals, Forest Products and Chemicals.*—Production of base metals in Canada increased in 1953, although market conditions differed considerably among the various metals. Nickel and aluminum have been in strong demand, while softer