

Partly offsetting this decline were the higher outputs recorded by foods and beverages, chemical products, tobacco products, paper products and petroleum products industries. Many of these gains were associated with higher consumer purchases, though others were related to the growth in resource development.

In the primary industries, the substantial decline in agricultural output was wholly attributable to the great drop in grain output, as production of live stock, poultry, eggs and dairy products recorded advances over 1953.

Operations in the woods showed a moderate increase; declines in logging operations occasioned by reduced activity in sawmills and shingle mills were more than offset by an increase of 19 p.c. in pulpwood production. In the second half of 1954, vigorous housing programs in Canada and the United States, together with a rising level of industrial production in the United Kingdom, stimulated demand for Canadian wood products. A moderate gain was also recorded in primary fisheries operations, the result largely of increased cod landings off the Atlantic Coast and the plentiful run of sockeye salmon in British Columbia.

One of the most significant advances in output occurred in mineral production which rose by more than 10 p.c. in the first nine months of 1954. Output of metals increased by 4 p.c.; copper, nickel and lead showed substantial advances and zinc and gold production, although lower than in 1953, showed improvement by mid-year. The increases in metals production were related to stronger export demand reflecting, in turn, a high level of economic activity in the United Kingdom, work stoppages of Chilean and United States copper producers, and a resumption of United States Government stockpiling of zinc and lead. Output of crude petroleum and natural gas continued to show marked gains, as resource development in Alberta continued strong, but coal output, on the other hand, continued to decline. Coal production reached the lowest level in seven years, as other sources of energy were increasingly substituted for it.

In the public utilities sector, production of electric power continued to advance, gaining about 3 p.c. over 1953. Distribution of natural gas increased sharply, but production and sales of manufactured gas rose very little.

On balance, the output of primary goods industries, other than agriculture, was appreciably higher than in 1953.

The general level of construction activity in 1954 was about the same as in 1953. Housing construction showed an appreciable gain but declines in other sectors of construction were offsetting factors. Unfavourable weather conditions and the fact that work was completed on several important resource development projects affected the level of industrial construction in 1954.

While the combined output of goods in 1954 was slightly lower than in the preceding year, services continued to expand. All groups showed increases with the exception of transportation, communication and storage. This latter group declined as a result of reduced shipments of grain and lower shipments of automobiles, machinery, and primary iron and steel products. These declines were partly offset by long-run growth factors in a number of component sub-groups: activity in air and truck transportation and oil pipelines increased; the communications groups also increased as a result of the continued growth in telephone and telegraph services and the rapid expansion in television transmission stations.