

Section 1.—Trends in Commodity Production

The net value of Canadian commodity production during 1953 (the latest year for which final figures are available at the time of going to press) amounted to \$14,538,000,000, an advance of nearly 6 p.c. over the 1952 total. The most important expansionary influence in the economy in 1953 was the continued growth of consumer expenditures, reflecting further increases in "real" incomes. Investment in new construction also showed an impressive gain over 1952 particularly in the housing component. Inventory accumulation was quite substantial, reflecting a shift from a position of net liquidation of business inventories in 1952 to one of considerable build-up in 1953. Defence expenditure, which in the preceding two years was one of the key factors in the total expansion of output, rose only moderately in 1953 and the value of exports showed a moderate decline.

Preliminary data for 1954 indicate a decrease in the net value of commodity production for the first time since 1945. A number of factors lay behind this development including: a sharp drop in agricultural production; a turnaround of business inventories from the substantial build-up in 1953 to a position of net liquidation; a decrease in business outlays for plant, machinery and equipment; a decline in exports; a reduction in defence expenditures; and lower demand for consumer durable goods. These downward pressures were partly counterbalanced by continued strong demand for non-durable goods and a considerable increase in outlays for new housing. The advance data by industries indicate that the net value of agricultural output dropped by about 28 p.c. in 1954 while other primary industries advanced—mineral production (in volume terms) by nearly 13 p.c., electric power by more than 5 p.c., the volume of seafish landings by nearly 10 p.c. The forestry industry also showed some gain in output. On the other hand the net value of manufacturing production declined by about 2 p.c., the major decreases occurring in the durable goods industries of iron and steel products and transportation equipment. A moderate increase was recorded by non-durable manufacturing industries despite considerable declines in textiles, clothing and rubber goods. The net value of construction increased slightly as compared with the previous year.

Section 2.—Industrial Distribution of Production

In the five years from 1949 to 1953 inclusive the total net value of commodity production increased by nearly 46 p.c., an advance contributed to by sustained demand for consumer goods both at home and abroad, by the industrial and resource development programs and by the expansion of defence industries. All industrial groups except trapping increased during the period.

The contribution of the primary industries to the total commodity production declined from 33 p.c. in 1949 to 28 p.c. in 1953, almost wholly as a result of the fall-off in the proportion contributed by the agriculture industry from 20 p.c. to 15 p.c. during the period. The net value of agricultural output in 1953 at \$2,241,316,000 was 11 p.c. higher than in 1949 but was well below the record value of \$2,653,678,000 achieved in 1951 and also below the 1952 total. Although the 1953 wheat crop was very large it was considerably smaller than the extraordinary 1952 crop.

Operations in the woods recorded a steady advance from 1949 to 1952 but declined in 1953; the net value of forestry production in the latter year was 46 p.c. higher than in 1949 but about 5 p.c. below the peak of 1952. The fall-off in 1953 was attributable in large measure to a decline in the external demand for pulpwood and mining timber. The value of the primary fisheries industry reached a peak in 1951 and then declined in the next two years; the drop in 1952 was mainly caused by a decline in seafish landings and that in 1953 by lower prices for fishery products. Since 1951 the net value of the trapping industry has been declining.

The net value of the mining industry advanced each year from 1949 to a record high of \$791,000,000 in 1953, a 39 p.c. increase. Fuel production recorded the greatest advance by more than doubling during the period, an increase much more than accounted for by