

A highlight among resource industries has been the resurgence of pulp and paper output following two years of little change. Production and sales have strengthened for both newsprint and woodpulp, contributing to a sharp rise in plant-utilization and efficiency. High levels of lumber and plywood production were stimulated by vigorous trends in housing and other construction early in the year. However, the trend has slowed since mid-year, paralleling the slow-down in residential building in Canada and the United States.

1969 has been a year of rising production for important mining and mineral processing sectors -- among them asbestos, aluminum, oil and natural gas. Additions to sulphur and potash productive capacity have, however, increased the available supply of these minerals in a situation of world over-supply and downward pressure on prices. Declines in production of iron ore, primary steel, copper and nickel in 1969 are principally a result of protracted work stoppages due to strikes at the mines and mills of leading producers.

The major service-producing industries have continued to expand to meet widening requirements of an increasingly urban-oriented population. Growth has remained particularly strong in the community and personal services sector. Electric-power generation has shown a further large increase, supported by new capacity following completion of several major hydro projects, most notably in Quebec and British Columbia.

Canada's merchandise exports have increased by nearly 10 per cent in 1969, about in line with the growth in world production and trade. The annual value of Canadian exports is now just short of the \$15-billion mark, having more than doubled in the past six years.

An outstanding factor in export growth has been the continuing strong rise in exports of automotive products. Continuing rationalization of North American car production has advanced automotive exports to about \$3.5 billion in 1969. Imports of automotive products also have increased sharply, though somewhat less than exports. Canada's deficit in automotive trade is now at its lowest point in many years.

Higher foreign sales have been achieved in other manufactured lines, including wearing apparel, industrial equipment and non-farm machinery. Exports of aircraft and aircraft parts, however, are lower than in the previous year.

Among Canada's forest and mineral products, major increases have been achieved in exports of newsprint, woodpulp, aluminum and petroleum. Lumber and plywood exports rose sharply in the first half but have slowed in later stages of the year, with the decline in residential building in the United States. Strikes in some of the principal mining and metal-processing industries have been largely responsible for lower exports of iron ore, iron and steel products, copper and nickel.

Exports of agricultural products, other than grain, have increased moderately. Wheat and flour exports are down for the third consecutive year, reflecting the substantial world over-supply and increased domestic production in importing countries. However, orders now in hand suggest that this downward trend will be reversed in 1970.