

Pacific Coast has substantially offset the decline in overseas shipments. Lumber exports in volume terms rose to the highest levels since 1955. The exceptional buoyancy of the United States market was tempered by the continued reduction in overseas shipments, especially to the United Kingdom. Recently the market picture has been changing. In the United Kingdom, housing starts have risen sharply and, with the lowest stocks on record, purchases have increased substantially. At the same time, housing starts have declined noticeably in North America. This has already been reflected in reduced production and shipments in the United States. Meanwhile, Canadian operations were, for a time, drastically reduced by the work stoppage in the British Columbia coastal region.

The pulp and paper industry by mid-year was operating some 8 per cent above the level of the year before. However, being heavily influenced by the newsprint sector, the build-up during this period was hesitant and uneven. The pulp export market, in which bleached chemical grades predominate, has shown a strong steady recovery, following a moderate decline. This reflects principally the strong secular growth in world demand for bleached kraft pulps. Newsprint and related pulp operations in Canada had a less buoyant and quite irregular trend until the second quarter of 1959. By April, advertising lineage and consumption of newsprint in the United States had recovered by 10 per cent from the low point one year earlier. At the same time, shipments from American producers had risen 20 per cent from the low in the summer of 1958. However, until the end of the first quarter, Canadian producers were affected by the major newspaper strike in New York and its aftermath. This situation was accentuated by further reductions in publishers' stocks and continuing competition from new producers in the southern United States. But a sharp pick-up in the second quarter brought the rate of Canadian shipments to the United States 10 per cent above the low point of a year before.

Mineral Industries

The mineral industries in Canada have shown a substantial recovery over the last year, although there has been considerable variation between sectors and commodities. By mid-1959, mining as a whole reached a level of output 10 per cent above the year before. The fuel and non-metallic sectors have shown the greatest increase in production, and the metals have fully recovered from the impact of the nickel-copper strike in the last quarter of 1958. Export values for minerals since March have risen sharply above the low levels of last winter and about 10 per cent over the pre-strike levels of 1958.

The modest showing of metal mining reflects the levelling of growth in the uranium sector, the continuing ample world capacity position in the case of copper, the uncertain