

recovery as far as material requirements from Canada were concerned. Nevertheless, in the last few months exports have been moving ahead and, for the year to date, are at record levels.

Individual Industries

Having looked briefly at some of the broader trends and influences now dominant in the Canadian economy, it might, at this point, be of interest to consider more specifically what is happening in individual industries.

The upswing in Canadian industry to date has been paced in no small way by the rising level of output in motor vehicles and steel.

Canada's motor vehicle industry has forged ahead despite the continuing popularity of European-type cars in this market. Since last year, the proportion of European cars in the Canadian market has increased from 16 to 24 per cent. Nevertheless, passenger car production in Canada has risen by 10 per cent in the same period and commercial vehicles have shown an even better performance. While the problem of forecasting automobile sales frequently confounds even the experts, one cannot help but be impressed by the favourable signs which continue to persist in the industry. Notable among these is the growing public interest aroused by the introduction of the new "compact" North American models. In the immediate future, however, the Canadian industry may face a shortage of component supplies from the United States, unless the steel strike in that country is settled soon.

Meanwhile, Canada's iron and steel industry has experienced the dual stimulus of rising consumption and prospective scarcity resulting from the shut-down of American mills. Operating rates in the Canadian industry have been close to 90 per cent of capacity since early in the year, and production to date is one-fifth higher than in the comparable period of 1958.

Most other secondary manufacturing industries have achieved at least some improvement in production and sales.

Output of the major household durables, including refrigerators and freezers, washing machines, clothes dryers and stoves are up quite substantially, although the present decline in housing completions may limit further increases. On the other hand, television sales remain well below the earlier build-up period, reflecting the relatively static position with respect to new transmitting outlets and the slow development of the replacement market. Radios have been moving across counters in much larger volume this year, but a major portion of the new demand has been met from imports.