

1954 depending on the progress of studies now under way in major trading countries.

Economic and trade developments in the United States continue to have an important bearing on Canadian interests. Among recent developments of this sort may be mentioned the appointment of the Randall Commission to study all aspects of foreign economic policy and to make recommendations early in 1954. Also important to Canadian interests are the United States Tariff Commission hearings on groundfish fillets, lead and zinc, mustard seed, and oats (following which the Canadian government recently consented to impose temporary restrictions on exports of oats to the United States). Other important developments have been certain amendments which have been made in United States customs procedures, (though not as yet covering the entire field which has been under discussion), and revisions in the Mutual Security Act to permit the sale of agricultural products for blocked currencies.

Conditions in Major Industries

The continuation of generally firm demands during the past year has been reflected in high levels of activity in major Canadian industries. Moreover, since mid-1952, there has been a more even balance in industrial conditions than prevailed previously.

For the third successive year, unusually large grain crops were harvested. The wheat and barley crops were the second largest on record, and the oat crop was well above average.

Exports of the five major grains, wheat, oats, barley, rye and flaxseed and their products totalled nearly 600 million bushels during the crop year ending July 31, 1953. This was an all-time record for Canadian grain clearances.

Canada ratified the new International Wheat Agreement, which is effective for three years, commencing August 1, 1953. The Agreement provides for a minimum price of \$1.55 a bushel and a maximum price of \$2.05, basis in store Fort William/Port Arthur or Vancouver. Canada has an export quota of 163,230,882 bushels for the 1953-54 crop year.

The wood products industry has, on the whole, enjoyed a prosperous year. Reduced sales of lumber to the United Kingdom have been offset by increased markets in the United States and Canada. The moderate increase in the use of newsprint on this continent has more than made up for the decline in overseas demand. The pulp market which experienced considerable softness early in the year, has subsequently shown much improvement. Although prices of some metals have been lower than in 1952, overall mineral production has increased significantly, two notable exceptions to the general trend being gold and coal. The construction and related materials industries have established new records. In response to buoyant consumer demand and generally high equipment requirements, output has increased in most finished manufactured goods industries.

Reflecting these conditions, industrial output, as measured by the index of industrial production, rose by nine per cent in the first eight months of 1953 compared to the same period in the previous year. In recent months this margin of increase has narrowed; but this was to some extent the