

Factory shipments of Ontario's top ten manufacturing industries in 1956 were valued as follows, in thousands: motor vehicles, \$976,396 (\$897,044 in 1955); non-ferrous smelting and refining, \$554,056 (\$492,930); primary iron and steel, \$531,684 (\$412,014); pulp and paper, \$441,629 (\$401,749); petroleum products, \$357,663 (\$305,588); slaughtering and meat packing, \$332,271 (\$321,452); motor vehicle parts, \$314,359 (\$274,069); rubber goods, including footwear, \$289,917 (\$262,158); heavy electrical machinery, \$234,826 (\$180,541); and aircraft and parts, \$206,142 (\$229,943).

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PULP AND PAPER INDUSTRY

The following article is reprinted in part from the Bank of Nova Scotia's Monthly Review.

The postwar years have seen a remarkable increase in North American use of pulp and paper products, from the daily newspaper to milk bottle cartons, from multiwall sacks for packaging such products as cement to disposal diapers. In response to this growing demand, Canadian productive capacity in pulp, newsprint and other paper products has been greatly enlarged. The first wave of expansion immediately following the war began to slacken off in the early 1950's. Then in 1955 a sudden sharp upswing in demand in all the principal markets set in motion another and more pronounced wave, which is only now subsiding.

Between 1946 and the current year, Canadian newsprint capacity has been increased by well over 50 per cent and the capacity for making chemical pulp has more than doubled. In large part, particularly in the earlier years, the additional capacity came through enlargement of existing mills and through the improvement and speeding-up of existing machines. A trend has also been evident toward closer integration of pulp production with the manufacture of paper and board while in British Columbia there has been a notable linking together of lumber and pulp and paper operations. Still another important postwar development has been the building of special facilities to recover by-products.

Of the 2.1 million tons of newsprint capacity added in the period 1946 to 1957, no less than 70 per cent came from improvements made to existing equipment. In the rapid growth since 1955 the proportion has been considerably less, but the limits to expansion in this way have by no means yet been reached. The emphasis on speeding-up existing machines reflects both the technical advances which have been made and the fact that this has proved to be the most economical and fastest method of increasing capacity. Some new machines have been added at existing mills, but in the period from the end of the war to the present, only four new newsprint mills have been built, two of which were additions to

existing plants which had not been producing newsprint.

In wood pulp, close to two-thirds of the increase in capacity since the war has come from either improvements or additions to existing mills. Much of this expansion has, of course, been in groundwood pulp and unbleached sulphite for conversion into newsprint, though it has included other types of pulp as well. Of the capacity added through new mills, meanwhile, most has been kraft pulp, reflecting both the rising demand for packaging materials in general and the inroads made by paper products on wood, jute, glass and other packaging materials. Exports of kraft pulp, mainly to the United States, have increased fivefold in the postwar years, compared with a gain of around 85 per cent in bleached sulphite and little growth or a declining trend in other types of pulp.

Since it takes time for new capacity to be brought into operation, the wave of expansion which began in 1955 has been adding markedly to both newsprint and pulp capacity in 1957 and 1958, at a time when demand for both products has fallen off a little. Despite moves to postpone or cut back capital programmes, it would appear that Canadian newsprint capacity for the year 1959 will exceed 7.4 million tons, compared with just over 6 million tons in 1955. The growth in wood pulp capacity has also been of large proportions. By the end of this year, however, most of the currently scheduled additions to capacity for both products will be completed.

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ASSISTANCE FOR WEST INDIES

Prime Minister Diefenbaker announced September 23 that following an exchange of letters with the Prime Minister of the West Indies, Sir Grantley Adams, the Canadian Government proposed to recommend to Parliament that \$10 million be made available to the West Indies over the next five years as economic assistance from Canada; and that a sister ship be built under this programme as a partner to the first Canadian ship, which Canada has already agreed to provide for the West-Indian inter-island shipping service.

It will be recalled that last March the gift of the first ship for the West Indies shipping Service was announced; it was the first major capital aid project under the Canadian Aid Programme for the West Indies. The programme was initiated early in January by the setting up of technical assistance arrangements. Funds for a broader programme of technical assistance and for preliminary work in connection with the first ship were voted by Parliament in the last session. The two ships and existing technical assistance would form part of the \$10 million programme.

It is intended to put these arrangements on a firmer basis, in order to facilitate long-