

steel ingots and castings at 5,068,149 tons were 233,053 tons lower. The second factor was the impact on the consumer goods industries of the increase of about 543,000 in population and of the continued rise in labour income.

Lower export demand for Canadian manufactured products adversely affected manufacturing operations in 1957. The sharp decline in the export of planks and boards, shingles, veneer and plywood which occurred in 1956 continued throughout 1957. Exports of wood pulp, newsprint, whisky, wheat flour, aluminum and products, copper and products, zinc, automobiles and parts, fertilizers, and aircraft were all lower but there were increases in exports of farm implements and machinery, nickel, artificial crude abrasives, non-farm machinery and synthetic plastics and their manufactures.

The minor recession that commenced in the autumn of 1957 continued into 1958. Based on monthly returns by manufacturers, it is estimated that 1958 shipments were 2.0 p.c. lower at \$21,619,000,000, employment was 5.0 p.c. lower at 1,288,000 and salaries and wages paid were down 1.5 p.c. at \$4,752,000,000. The index of physical volume of production also declined, being 3.6 p.c. lower for manufacturing as a whole; the output of durable goods dropped 6.9 p.c. and non-durable goods 0.6 p.c.

Fifteen industries were responsible for 46 p.c. of the total shipments by manufacturers in 1957. Six of these were primarily engaged in meeting the requirements of the domestic consumer for goods required for current use—the four food-producing industries already mentioned, together with the petroleum products and rubber goods industries which are ancillary to the durable goods industries producing transportation equipment. The three major exporting industries have also been mentioned, and the remaining six of the fifteen leading industries are mainly occupied in meeting the requirements of Canadian industry for capital goods or materials, and the requirements of Canadian consumers for durable goods. The following were the fifteen leading industries in 1957 on the basis of value of factory shipments; the rank of each is shown in parentheses.

<i>Group and Industry</i>	<i>Rank</i>	<i>Shipments</i>
		\$'000,000
EXPORTING INDUSTRIES—		
Pulp and paper.....	(1)	1,411.9
Non-ferrous metal smelting and refining.....	(3)	1,280.1
Sawmills.....	(7)	555.7
CONSUMER GOODS INDUSTRIES—		
Petroleum products.....	(2)	1,376.6
Slaughtering and meat packing.....	(5)	907.1
Butter and cheese.....	(8)	469.9
Miscellaneous food preparations.....	(13)	336.3
Bread and other bakery products.....	(14)	331.1
Rubber goods, including footwear.....	(15)	326.1
CAPITAL GOODS INDUSTRIES—		
Motor vehicles.....	(4)	948.6
Primary iron and steel.....	(6)	704.6
Aircraft and parts.....	(9)	424.4
Railway rolling-stock.....	(10)	386.7
Miscellaneous electrical apparatus and supplies.....	(11)	381.1
Industrial machinery.....	(12)	363.0

The production of pulp and paper continues to be Canada's leading manufacturing industry, the selling value of factory shipments in 1957 totalling \$1,411,934,462. The pulp and paper mills are fed by the great coniferous forests, through which run extensive river systems. The rivers provide a means of transporting pulpwood to the mills and provide the power for generating the required electricity. The importance of cheap power to this industry is emphasized by the fact that, in 1957, it used about 30 p.c. of all the electricity utilized by Canadian manufacturers.

On the market side, there has been a great increase in the consumption of paper throughout the world, especially in North America. Increased education has advanced the sales of newspapers, books and other printed matter, and new uses are continually being found for paper—for building materials, packaging materials, insulation for electrical equipment, and for many other purposes. In 1957, 75 p.c. of the industry's shipments