

equipment, and machinery and equipment of all kinds, reveals the extent of the contribution made by Canadian industry to the tremendous expansion in the productive capacity of the country. Non-durable goods during the same period increased by 53.8 p.c. With only one exception, all groups in both these sectors recorded market advances in volume output from 1946 to 1956, the exception being leather products with a decline of 6.8 p.c. In the durable goods sector, the most striking advance was made by the electrical apparatus and supplies group with an increase of 182.6 p.c. This was followed by non-metallic mineral products with 166.0 p.c., transportation equipment with 95.9 p.c., iron and steel products 79.8 p.c., non-ferrous metal products 62.6 p.c., and wood products 59.3 p.c. The greatest advance among the non-durable groups during the 1946-56 period was made by products of petroleum and coal with 190.8 p.c., followed by chemicals and allied products with 100.9 p.c., miscellaneous industries with 83.3 p.c., printing, publishing and allied industries 78.5 p.c., rubber goods 72.1 p.c., paper products 70.1 p.c., beverages 68.4 p.c., tobacco and tobacco products 61.0 p.c., textiles 32.2 p.c., foods 27.6 p.c. and clothing 23.4 p.c.

In 1957, despite a downturn in production which began in the autumn of the year, the manufacturing industries established new highs in number of employees, salaries and wages paid and selling value of factory shipments. Shipments were the highest on record and exceeded by 2.5 p.c. the high mark attained the previous year. The employment picture was not so impressive. Although there was an increase of 0.4 p.c. in persons employed in 1957 as compared with 1956, the number still was only 31,610 higher than the record employed in 1953. Salaries and wages paid and value added by manufacture exceeded the previous highs of 1956 by substantial margins. On the other hand, the physical output of manufactured products declined by 1.5 p.c. despite the small increase in number of employees; a drop of about 2 p.c. in the average number of hours worked per week in 1957 contributed to this result. The decrease in the volume of production, which contrasted with the increase in selling value of factory shipments, was more or less accounted for by an increase in the wholesale prices of partly and fully manufactured goods. The output of non-durable goods recorded a minor increase of 1.2 p.c. but the production of durable goods was down by 4.3 p.c., resulting in a net decline of 1.5 p.c. for manufacturing as a whole. The total index for manufacturing in 1957 stood at 142.9; for non-durable goods it was 139.7 and for durable goods 146.7.

The high level at which the manufacturing industries of Canada operated during 1957 was the result of two main factors. First was the continued high spending on capital goods, such as construction and machinery and equipment of all kinds, which rose 8 p.c. This high expenditure had the effect of stimulating certain durable goods industries to a marked degree. The volume of output of the hydraulic cement industry advanced 20.6 p.c., bridge-building and structural steel was 15.8 p.c. higher, and heavy electrical machinery as well as industrial machinery and machine tools recorded minor gains. The output of the primary iron and steel industry dropped 5.9 p.c.; production of pig iron at 3,718,350 tons was 150,147 tons higher but 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 exports 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 started late in 1957 continued for over a year to the beginning of November 1958. In comparing the two years it is found that the selling value of factory shipments in 1958 was only fractionally lower than the shipments in 1957, a year of record attainments. However, the decline in the physical output at 2.7 p.c. was more substantial and compared with a drop of 0.1 p.c. in value of shipments. The difference was accounted for by an increase in the wholesale prices of partly and fully manufactured goods. The