

decline in production was accompanied by a drop of 5.0 p.c. in the number of persons employed. This, when compared with a drop of only 2.7 p.c. in the physical volume of production, follows the trend of recent years of the same volume of goods being produced by fewer employees. Because of the continuing increase in weekly and hourly earnings in manufacturing, a trend common to all other sectors of the economy, salaries and wages paid were down only 0.2 p.c. compared with 1957.

As already noted, the physical volume of production in 1958 declined 2.7 p.c., as compared with 1957 and 4.1 p.c. compared with the record level of 1956. Most of the effects of the downturn were felt by the producers of durable goods, whose volume of output dropped 5.5 p.c. Production of non-durable or consumer goods was all but maintained at the same high level as in the previous year. In the durable goods sector only two groups reported increases in volume—non-metallic mineral products increased by 7.6 p.c. and wood products by 3.0 p.c. The increased volume of these two groups reflected the continued high spending for construction, despite the general slackening in economic activity. The hydraulic cement industry, which is a component of the non-metallic mineral products group, increased 2 p.c. in volume, output rising from 6,049,098 tons in 1957 to 6,153,421 tons in 1958. The woods products group was also stimulated by the strengthened demand in other countries for its products; exports of planks and boards in 1958 amounted to 3,922,953,000 feet compared with 3,653,497,000 feet in 1957, red cedar shingles 1,814,711 compared with 1,718,203, and veneer and plywood 561,767,000 sq. feet compared with 490,750,000 sq. feet. Of the groups reporting lowered output, transportation equipment was the hardest hit; railway rolling-stock dropped 22 p.c., shipbuilding 17 p.c., motor vehicles 14 p.c., motor vehicle parts 10 p.c. and aircraft 5 p.c. The primary iron and steel industry suffered a loss of 9.5 p.c.; the production of pig iron at 3,059,579 tons was 658,771 tons lower and steel ingots and castings at 4,359,486 tons were 708,663 tons lower. The output of machinery was also severely curtailed; the machinery industry of the iron and steel group reported a drop of 22 p.c. in volume, while the heavy electrical machinery of the electrical apparatus and supplies group showed a more moderate decline of 11 p.c.

In the non-durable goods sector the trend in physical output in 1958 was mixed. Seven of the 12 groups in this sector reported declines, the greatest drop in volume of production being that of 7.2 p.c. in the rubber and rubber products group. Textiles came a close second with a loss of 6.9 p.c. and other declines ranged from 3.0 p.c. for products of petroleum and coal to 0.5 p.c. for paper and paper products. For the groups reporting higher volume of output, the increases ranged from 7.6 p.c. for tobacco and tobacco products to 1.0 p.c. for beverages. The gains made by these five groups almost equalled the losses of the other seven, so that the net result for the non-durable group as a whole was a loss of only 0.1 p.c. in volume.

Ontario continues to maintain its predominance among the provinces in manufacturing production, and in 1958 accounted for 49.0 p.c. of the total value of factory shipments. Quebec with 30.5 p.c. of the total retained second place followed by British Columbia with 8.1 p.c. Ontario's share in 1958 was slightly smaller than in 1957 while Quebec and British Columbia reported minor increases. The impact of the minor downturn in production in 1957-58 was not the same for all provinces. The outstanding feature was an increase of 2.3 p.c. in the number of employees reported by Saskatchewan when all other provinces reported declines. This no doubt resulted from the fact that Saskatchewan, being mainly a producer of consumer goods, was able to increase its manufacturing operations to meet the requirements of expanded population. British Columbia, with a drop of 5.1 p.c. in employees, experienced a second setback in manufacturing employment which had been expanding uninterruptedly for a number of years prior to 1957. The greatest decline in employment, however, was reported by Newfoundland which had a drop of 8.3 p.c. Other declines ranged from 8.0 p.c. in Nova Scotia to 1.1 p.c. in New Brunswick. For Canada as a whole the decline in employment was 5.1 p.c.

The variations in volume of production experienced by the industrial groups for different periods during the past twenty years are given in the following table.