

by 4.1 p.c. It is of interest to note that the value added by manufacture, which is the real measure of manufacturing production, was over the \$10,000,000,000-mark for the first time in 1959.

Compared with 1958, the value of factory shipments in 1959 increased 5.2 p.c., salaries and wages 5.6 p.c., value added by manufacture 5.4 p.c. and volume of production 6.6 p.c. The latter advance was accomplished with an increase of only 1.1 p.c. in the number of persons employed, continuing the trend of recent years for the same volume of output to be produced with fewer employees. Since 1949 the physical volume of manufactured products increased 50.0 p.c. and the number of persons employed only 11.3 p.c. The increase in salaries and wages paid in 1959 resulted partly from the greater number of employees and partly from the continuing advance in earnings, a trend common to all other sectors of the economy.

An important factor in the recovery that took place during 1959 was the continued high spending on capital goods such as construction and machinery and equipment of all kinds. Total investment in capital goods amounted to \$8,411,000,000, an increase of \$47,000,000 over 1958. However, spending on machinery and equipment was \$79,000,000 higher and spending on construction projects \$32,000,000 lower, which had the effect of stimulating industries producing electrical and other machinery but moderately depressing industries producing building materials; in the case of the lumber industry, however, an increase in exports of planks and boards and veneer and plywood counterbalanced a decline in domestic spending for construction purposes, resulting in a net increase of 3.5 p.c. in the volume of wood products manufactured. Another stimulating factor in 1959 was the impact on the consumer goods industries of the increase of about 394,000 in population, with a continuing rise in wages, salaries and supplementary labour income.

Export demand for Canadian manufactured products was another strong factor in stimulating the 1959 recovery. Exports of partly manufactured products at \$1,453,900,000 were \$138,400,000 higher than in 1958 and exports of fully manufactured goods at \$1,860,600,000 were \$84,100,000 higher. The increase in exports of both partly and fully manufactured products amounted to 7.2 p.c. There were substantial improvements in exports of pulp, veneer and plywood, newsprint, whisky, farm implements and machinery, nickel, copper and its products, crude artificial abrasives, and synthetic rubber and plastic manufactures. Moderate increases were reported for timber and lumber, aluminum and its products, fertilizers, lead and its products, non-farm machinery and uranium ores and concentrates. At the same time, declines occurred in a number of major export items including red cedar shingles, wheat flour, zinc, automobile parts and aircraft. The decline in exports of aircraft was particularly sharp, from \$109,112,783 in 1958 to \$24,960,067 in 1959, the result of a 25-p.c. drop in the volume of output of the aircraft industry.

As already mentioned, the physical volume of production for manufacturing as a whole reached an all-time high in 1959, increasing 6.6 p.c. after a drop of 1.5 p.c. in 1958 and of 1.5 p.c. in 1957. Durable goods rose 6.9 p.c. and non-durable goods 6.4 p.c. Since the non-durable goods industries were not affected by the downturn in production in 1958, the rising volume of 1959 advanced these industries to almost the same level as durable goods; in 1957 the indexes for non-durable and durable goods were 139.7 and 146.7, respectively, while in 1959 they were about the same—150.4 and 149.5. The total index for manufacturing in 1959 was 150.0. In the years since the end of the Second World War the durable goods industries experienced an almost uninterrupted expansion in volume of production, the only exceptions being 1954, 1957 and 1958. Despite steady postwar expansion, the non-durable goods sector recorded an increase in volume of only 54 p.c. between 1946 and 1956 while durable goods increased 92 p.c. This gap was narrowed between 1957 and 1959 so that for the whole period of 1946-59 durable goods expanded 87 p.c. and non-durable goods 67 p.c.

All non-durable goods industries except clothing operated at higher levels in 1959. Rubber goods industries increased 17.4 p.c., textiles 13.2 p.c., products of petroleum and coal 11.4 p.c., miscellaneous industries 10.2 p.c. and increases in the other groups (see