

Manufacturing Production during the Period 1945-59

Significant changes in the nature of manufacturing production took place during the 1945-59 period. Emerging in the late 1930's from a depression almost world-wide in scope, the manufacturing industries of Canada entered a period of rapid growth which continued with little interruption throughout the war and postwar years. The problem confronting business economists is to determine how much of the postwar industrial 'drive' was caused by normal growth factors and how much was caused by the backlog of war-accumulated demand. While it is true that the greatest demand accumulation took place in housing and consumer durable goods, non-durable goods such as textiles and clothing also started the postwar period with sizable backlogs of unfilled demand. It is now apparent, after the vigorous pace of business which followed the outbreak of hostilities in Korea in 1950, that a considerable portion of this demand has been satisfied and that some industries, notably textiles, clothing, agricultural implements and certain major appliances, are experiencing difficulties. However, over-all prospects for the near future appear quite favourable. The high level of capital investment during the past few years which greatly increased productive capacity is beginning to be reflected in current production statistics. Large expansion and development programs are still under way in iron ore, aluminum and other metals, oil, chemicals, electric power and in a number of other industries. In addition, Federal Government expenditures for national defence should continue to exert some influence on the economic picture.

In this review the changes in the nature and extent of manufacturing production since the end of World War II are measured by the number of persons employed, salaries and wages paid, and indexes of physical volume of output.

Changes in Employment.—With respect to employment, the most notable feature is the relatively small increase of 15.6 p.c. in the number of persons employed in manufacturing as a whole since 1945 as compared with the 61.2-p.c. increase in the volume of production during the same period. Thus, the average annual increase in employment was approximately 1.0 p.c. as against a 4.0-p.c. increase in output volume. The trend in recent years for the same amount of goods to be produced with fewer employees is being progressively accelerated. As the following figures show, the relatively larger increase in volume than in number of employees was 3.9 p.c. during the 1945-49 period, 13.7 p.c. during the 1949-54 period and 18.6 p.c. during the 1954-59 period. The over-all efficiency increase during the fifteen years was 39.4 p.c.

Period	Employees		Volume of Production	Efficiency of Production
	No.	p.c.		p.c.
1945-49.....	+ 3.6	+ 7.6		+ 3.9
1949-54.....	+ 8.1	+22.9		+13.7
1954-59.....	+ 2.8	+21.9		+18.6
1945-59.....	+15.6	+61.2		+39.4

The advance in efficiency is even more pronounced when the number of *production* workers in manufacturing are considered separately from office and administrative employees. Between 1945 and 1959 there was an increase of 6.6 p.c. in the number of production workers and of 59.4 p.c. in the number of office and administrative employees. Therefore, since the increase in volume of output was 61.2 p.c., the efficiency of production workers increased 51.2 p.c. during the period as compared with an increase of 39.4 p.c. for all employees.

Year	Production Workers	Administrative and Office Employees	Total (excl. <i>Nfld.</i>)
	No.	No.	No.
1945.....	928,665	190,707	1,119,372
1959.....	990,361	303,975	1,294,336
Percentage change.....	+6.6	+59.4	+15.6