

Retail and wholesale trade activity rose fractionally in 1954, as a lower volume of sales by motor-vehicle dealers, clothing and shoe stores and some other trades was more than offset by rising sales of food stores, department and variety stores, garages and filling stations and other businesses. Government, health, educational, recreational and business services recorded advances over the 1953 level.

NATIONAL INCOME AND GROSS NATIONAL PRODUCT

Wages, salaries and supplementary labour income amounted to \$11.9 billion in 1954, an increase of 2 p.c. over 1953. Gains occurred in most of the primary industries (except agriculture) and in all of the service groups including public utilities, trade, finance, and other services; the increase in the service components was much higher than that for other industries. On the other hand, wages and salaries in transportation, storage and communication, and in manufacturing declined in the year-to-year comparison. Payroll declines in manufacturing, ranging from 6 p.c. to 10 p.c., were concentrated in iron and steel products, transportation equipment, and clothing, textile and leather products industries. Despite these particular declines, the trend of *total* wages and salaries throughout the year was steadily upward. By the fourth quarter, they were 2 p.c. above the 1954 average, paralleling the increase for the year as a whole.

The total of investment income, which includes corporation profits, interest, net rents and government investment income, amounted to \$3.7 billion in 1954, a decline of approximately 2 p.c. from 1953. Corporation profits, the major component of investment income, is estimated to have declined by about 6 p.c. for the year. Interest and net rental receipts of persons rose by about 12 p.c. in 1954, reflecting increases in average rents, the growth in the number of housing units, and higher deposit interest paid by banks. Government investment income showed little change from 1953, but higher interest receipts were an approximate offset to a decline in profits of government enterprises. Throughout 1954, investment income (seasonally adjusted) was relatively stable, following declines in the last half of 1953. Corporation profits, which had been declining throughout most of 1953, levelled off early in 1954 and showed little change throughout the remainder of the year.

Accrued net income of farm operators from farm production was \$1.1 billion in 1954, a decline of about one-third from \$1.6 billion in 1953. This decline was approximately accounted for by the drop of \$0.5 billion in the value of crop production, which reflected adverse weather conditions in the Western Provinces and severe rust damage to the grain crop. The year 1953, however, produced the second largest grain crop in Canadian history, so that the decline in 1954 represents a drop from a very high base. Moreover, cash income from the sale of farm products declined much less sharply in 1954, partly reflecting the fact that grain deliveries did not drop as sharply as crop production. The decrease in cash income in 1954 amounted to 12 p.c. In contrast to the decline in grain output, the production of live stock increased in 1954, and with prices only slightly lower, there was some increase in income from this source. Cash income from fruits, vegetables and dairy products was unchanged from the previous year.