

services. Retail and wholesale trade volume showed little change in 1957 compared with 1956. Two important changes occurred within retail trade—grocery chains increased their volume of sales by more than 8 p.c. and motor vehicle dealers suffered a decline of about 10 p.c. Within the other services-producing industries—including finance, insurance and real estate, and government and other services—available related data suggest increased volume of activity ranging from 3 to 5 p.c.

EMPLOYMENT

Turning now to employment, the number of persons with jobs in 1957 averaged 5,661,000, a gain of 135,000 or 2.4 p.c. over 1956. The number of persons with jobs in the non-agricultural sector rose by about 3.4 p.c. It may be noted that this increase in non-farm employment was considerably higher than the year-to-year gain in non-farm production, which was estimated to have risen by only about 1 p.c. The divergence between the employment and output indicators implies a decline in output per person employed in 1957. This development may be partly explained by a decline in average hours worked per week in 1957 since such a decline occurred in manufacturing and mining. Another factor may be the reluctance of employers to dismiss workers in the initial stages of production cut-backs pending clarification of the outlook for new orders. Also, there is some evidence to suggest that in both Canada and the United States the very large additions to plant capacity in recent years have increased the need for administrative and over-head staff relative to the requirements for production workers.

The increment to the labour force in 1957 was 210,000, almost twice the average rate of growth in the preceding five years. This unusually large increase is associated with higher participation rates as well as with the extraordinarily high level of immigration in 1957. The number of persons without jobs and seeking work averaged 254,000 persons for the full year, that is, 4.3 p.c. of the labour force compared with 3.1 p.c. in 1956. In addition, the number of persons on short time or temporarily laid off averaged about 50 p.c. higher than in the preceding year. In the fourth quarter of 1957, persons without jobs and seeking work accounted for 5.0 p.c. of the labour force.

PRICES

Final product prices continued to advance throughout 1957, though the rate of increase slackened appreciably during the course of the year. It is estimated that the price element in the gross national product rose by only about one-quarter of 1 p.c. from the third to the fourth quarter, constituting the smallest quarter-to-quarter increase in a two-year period. For the year as a whole, end product prices in 1957 averaged about 4 p.c. above those of the year 1956.

The 3.7-p.c. advance in the consumer sector in 1957 was substantially greater than the price rise in this sector in the preceding year, when it amounted to only 1.7 p.c. The 4.1-p.c. rise in the price of investment goods in 1957, however, was slightly less than the previous year's rise of 5.6 p.c.

After the end of 1956, the advance in final product prices was not accompanied by price increases as measured by the general wholesale price index; from the fourth quarter of 1956 through to the fourth quarter of 1957, the wholesale price index declined by about 1 p.c. compared with an advance of 3 p.c. for the corresponding period of 1956. The prices of raw and partly manufactured goods and of industrial materials declined by 5 and 7 p.c. respectively in this period, compared with gains of 2 and 3 p.c. in the same period a year previously. Fully and chiefly manufactured goods advanced by 1 p.c. from the end of 1956 to the fourth quarter of 1957, compared with an advance of 4 p.c. for the same period of the preceding year. From the third to fourth quarters of 1957, the wholesale price index declined by about 1 p.c. The impact of these changes in wholesale prices is, to some extent, reflected in the valuation of inventories by business. It is estimated that the inventory valuation adjustment required for national accounts purposes amounted to only about \$60,000,000 for the year 1957, compared with the \$260,000,000 adjustment made in 1956.