

these industries as well as higher average earnings. Labour income in forestry, where employment was sharply reduced, was considerably lower; in mining and manufacturing it was only a little below the level of the previous year. On a seasonally adjusted basis, labour income tended to rise during the course of the year.

Farm net income made a major advance and, at \$1,200,000,000, was 16 p.c. higher than in 1957. This increase reflected larger output and higher prices for livestock and animal products. Net income of unincorporated business (non-farm) was \$2,100,000,000, up 5 p.c., and investment income of persons (dividends, interest and net rents) at \$2,100,000,000 was 6 p.c. higher. It may be noted that dividends did not reflect the decline in corporate earnings.

PRODUCTION, EMPLOYMENT AND PRICES

The level of non-farm production remained unchanged in 1958 but the product pattern of output continued to shift in the direction of the service-producing industries. In general, the impact of recessionary influences fell on the commodity-producing industries.

Manufacturing output was lower by 3 p.c., most of the decline being in the durable group. The 7-p.c. decline in output of durables in 1958 followed one of 4 p.c. in the preceding year. With the exception of non-metallic mineral products and wood products, all the durable groups reduced their output, the most pronounced declines being in transportation equipment and in iron and steel. The non-durable groups displayed mixed trends within a roughly unchanged total. Manufacturing production, after allowing for seasonal factors, showed some recovery in the opening months of the year, rising to a peak in May, followed by a setback in the summer months and renewed expansion in the closing quarter. By December, the seasonally adjusted index of manufacturing production stood at 142.2 (1949=100), about 6 p.c. above its low of one year earlier but still 5 p.c. below its peak in December of 1956.

Although mining production followed a gently declining trend throughout 1958, for the year as a whole it was about the same as in 1957. Output of nickel, asbestos, iron ore and petroleum fell sharply as a result of the deterioration in foreign markets for these products, although in the case of nickel a prolonged industrial dispute was also a factor. Production of uranium and natural gas was greatly expanded, constituting a major element in sustaining over-all output.

Agricultural output was substantially higher by reason of increased production and sales of livestock in response to opportunities for export to the United States and higher domestic prices. Crop production was about the same as in 1957. Production in forestry was considerably lower in the year-to-year comparison; a further sharp decline in output of pulpwood was partially offset by expansion in other forest products.

The goods-handling industries, like the goods-producing industries, were adversely affected by the recession. Transportation, communication and storage activity declined as railways, oil pipelines and shipping had a smaller volume of business to handle. Activity in other service industries continued to rise.

Considering the levels of employment associated with the trends in production, the total number of persons with jobs (5,722,000) was somewhat lower than in 1957, although the number of persons with jobs in the non-farm sector (5,010,000) was slightly higher than in the preceding year. The over-all decline in employment together with the growth of the labour force raised the number of persons without jobs and seeking work, expressed as a percentage of the labour force, from 4.3 p.c. in 1957 to 6.6 p.c. in 1958. A small reduction in hours of work in some industries was further evidence of weakness in the labour market.

An examination of the statistics of employment in non-agricultural establishments gives additional information on the industrial distribution of employment in 1958 and supplements the description of trends in labour income presented earlier. For the year as a whole, the industrial composite index of employment was down 4 p.c., much the sharpest decline being in forestry where it was about 25 p.c. Manufacturing employment was