

than fourfold increase in exports of cattle. Canada's enlarged capacity to supply new resource products, notably uranium and petroleum, helped to maintain export totals, as did substantial increases in sales of such traditional export products as nickel and asbestos. The general trends developed in 1957 were accentuated in 1958. Two new resource products, uranium and natural gas, made heavy contributions to export totals, their value rising by about \$165,000,000. The export value of wheat and flour, cattle and aircraft also rose sharply but decreases occurred in many traditional exports as well as in some of the new resource products. The first category included pulp and paper, copper, nickel, lead, zinc and asbestos, and the second included petroleum and iron ore.

Imports of goods and services in 1957 also were only slightly above the level of 1956 in contrast with the impressive increases of the two preceding years. This stability in imports was related to the levelling-off in investment in machinery and equipment and the sharply reduced rate of investment in business inventories; imports of investment goods were down 1.5 p.c. in 1957 in contrast with a rise of more than 30 p.c. in 1956 and imports of industrial materials were down 5 p.c. as compared with a 20-p.c. increase in 1956. The downward trend of imports became more pronounced in 1958, dropping 6 p.c. below the 1957 total. The bulk of this decline was again concentrated in those groups where imports had risen very sharply during the period of rapidly rising investment in plant and equipment in 1955 and 1956, particularly metal products. At the same time, imports of many consumer goods remained at about the level of 1957. However, by mid-1958 the downtrend of imports of goods and services levelled off and then began to rise and in the fourth quarter of the year the advance was particularly sharp.

After a slight increase in 1957 over 1956, the over-all deficit on current account showed a drop of 24 p.c. in 1958.

**Components of National Income.**—Labour income rose 7.5 p.c. in 1957 and another 3 p.c. in 1958. The major part of this advance was accounted for by higher wage rates. Almost all industrial groups shared the 1957 increase, forestry being the major exception, and the gains were most pronounced in the service-producing industries. In 1958 forestry again suffered a sharp reduction reflecting the much reduced level of employment in the industry, and lesser declines in mining and manufacturing were related in part to the incidence of industrial disputes in these industries. Labour income in all the service-producing industries, except transportation, again increased in 1958 reflecting generally expanded employment as well as further advances in earnings.

The accrued net income of farm operators from farm operations fell \$500,000,000 to \$968,000,000 in 1957 as compared with 1956, largely because of the much smaller crop in the Prairie Provinces. However, although there was little change in crop production, larger output and higher prices for livestock and animal products brought the 1958 total up to an estimated \$1,200,000,000. Income of unincorporated business which had remained approximately the same in 1957 as in 1956, rose 5 p.c. in 1958. The largest gains occurred in construction and fishing but retail trade and the service groups also advanced.

Corporation profits, sensitive as always to changes in the pressure of demand, fell by 10.5 p.c. in 1957 and by 3 p.c. in 1958. The trend of corporate earnings by industry mirrored the mingled elements of weakness and strength present in the economy in 1958. The sharpest drop in profits—21 p.c.—occurred in mining, quarrying and oil wells. Profits in manufacturing fell 8 p.c., the major declines being in iron and steel, petroleum and coal and electrical apparatus and supplies. Certain other manufacturing industries had higher earnings, notably foods and beverages, wood and paper products and chemicals. In general, the service-connected industries earned somewhat higher profits in 1958.