

relationship between supply and demand and an abatement of inflationary pressures, permitting the lifting of consumer credit regulations and the relaxation of controls over the supply of essential materials, though the outbreak of foot-and-mouth disease and the temporary loss of the United States market set back production values in the farm sector of the economy. Most major price indexes showed declines throughout the year, although the average level of the consumer price index was about 2 p.c. above the average for 1951. Labour income, moreover, rose steadily throughout the year and, on average, was 11 p.c. above 1951. Hence, a notable advance in 'real' wages and salaries was indicated for the year.

A further increase in net value of commodity production is estimated for 1953. The most important expansionary influence in the economy in 1953 was the continued growth of consumer expenditures, reflecting the large continued rise in 'real' incomes. Important gains over 1952 were shown in the construction sector where the housing component recorded the greatest advance. Value of manufacturing output also showed a considerable gain. By contrast, the agricultural sector recorded a decline in its value of production, largely as a result of reduced grain production and lower prices for a number of agricultural products. Although the 1953 grain crop was one of the largest on record, it was considerably below the record 1952 level. Prices, in general, were also a little lower in 1953 than in the preceding year.

## Section 2.—Industrial Distribution of Production

The net value of agricultural production in 1952 was \$2,467,000,000, representing a decline of 7 p.c. from the record level of \$2,654,000,000 established in 1951. The outbreak of foot-and-mouth disease in Saskatchewan and the decline in live-stock prices prior to and following the United States embargo resulted in greatly reduced value of live-stock production. This decline was only partially offset by the higher value of grain from the record wheat crop of 688,000,000 bushels.

An advance of nearly 10 p.c. in the net value of forestry production was indicated for 1952. The output values of pulpwood, mining timber, firewood and poles showed increases over the preceding year while those for logs and bolts were somewhat less. Although the quantity of pulpwood cut declined slightly, price increases more than offset this. In addition, the value of materials and supplies used by forest operators showed a substantial decline.

The quantity and value of production in the fishing and trapping industries dropped considerably in 1952 as compared with 1951, mainly owing to labour disputes in the fisheries sector.

An approximate 1 p.c. advance over 1951 was shown in the net value of the mining industry, largely the result of value increases in the output of petroleum and other non-metallic and structural materials which offset declines in the production of most major metals.