

in the latter part of 1955 the Canadian economy was approaching capacity production in some lines and the quarter-to-quarter increases in output were accordingly less substantial. At year-end, Gross National Product was running at a seasonally adjusted annual rate of \$27,400,000,000, about 3 p.c. above the annual average for 1955 as a whole.

In 1955 personal and business incomes continued to expand, mainly as a consequence of successive quarter-to-quarter gains in wages and salaries and in investment including corporation profits. Wages and salaries advanced approximately 7 p.c. above the 1954 level while investment income was up 20 p.c. and corporation profits 24 p.c. In addition there was an important increase in net income of farm operators resulting from the substantially higher level of crop production in 1955. National income as a whole was approximately 11 p.c. above the previous year.

The rising tempo of economic activity in 1955 was accompanied by a substantial increase in employment and a decline in unemployment. At year-end, the number of persons with jobs was about 4 p.c. higher than at the end of 1954 and the number of persons without jobs and seeking work was almost 20 p.c. lower. The number of persons with jobs in the non-agricultural sector rose by 7 p.c. during the year. Average hours worked per week in manufacturing increased in 1955 by about 1 p.c.

Prices on average were relatively stable during 1955. However, prices of non-agricultural primary materials began to edge upward more noticeably after mid-year while agricultural prices continued to decline. In particular prices of non-grain exports products (especially non-ferrous metals) showed increases, and the export price index of goods rose by 2 p.c. As the price of imported goods showed a smaller advance, a slight improvement in Canada's terms of trade took place in 1955. Construction material prices also increased somewhat in 1955, especially in the latter half of the year. The continued decline in agricultural prices in 1955 reflected the large stocks of grains and ample supplies of other agricultural products in Canada and abroad. The wholesale price index rose by 3 p.c. during the year while the consumer price index showed little change.

#### INDUSTRIAL PRODUCTION

All major industrial groups in the Canadian economy except fishing and trapping participated in the general expansion of economic activity during 1955. Contrasting with 1954 when production declined by about 3 p.c., the total physical volume of output in 1955 rose by 9 p.c., the largest advance of any postwar year. Contributing partly to this increase was the sharp gain in agricultural production, largely the result of the greater outturns of grain; output of livestock showed a more moderate advance.

Increased domestic and foreign demand for Canadian wood products resulted in greater activity in the forestry sector. Pulpwood production rose by about 4 p.c. and the output of sawmills 13 p.c. On the other hand, the fishing and trapping industries both declined. Landings of cod on the East Coast and of salmon, halibut and herring on the West Coast were considerably lower than in 1954.

The continued expansion of the mining industry was again a notable feature of the economic picture. The volume of mineral output attained a new record increasing nearly 16 p.c. above the 1954 level. This was the largest advance for any year since before the War and brought the volume of production index for the industry to a point 150 p.c. higher than in 1946. Supported by strong foreign demand, output of metals rose by 11 p.c. to surpass the previous record level established in 1941. Contributing substantially to the advance was the sharp gain in iron-ore shipments which increased 124 p.c. over 1954. Output of copper, nickel and zinc was also considerably greater, production of gold showed some improvement but lead and silver declined. The major non-metallics, asbestos and gypsum, reflected the tremendous construction activity both in Canada and abroad, rising 14 p.c. and 18 p.c., respectively, in 1955. Output of fuels as a whole advanced 28 p.c.; crude oil jumped 35 p.c. and natural gas 21 p.c. but coal, on the other hand, declined a further 1 p.c. Coal has shown a continuous decline since 1950 as the shift to other forms of energy has gained momentum.