

have been offset by increasing strength in others and business conditions have in general remained favourable. The downward trend in overall production and employment, in evidence in the closing months of 1957, was checked early in 1958. Despite Canada's sensitivity to world market influences, the extent of contraction in the Canadian economy was of much smaller dimensions than in the United States.

On the basis of nine-month figures, it now appears that Canada's Gross National Product for 1958 will exceed \$32,000 millions, 2 per cent above the figure for 1957. Prices on average have increased by almost the same percentage. Overall production in volume terms has equalled the level of the preceding year. Employment also has held up well and by the last quarter, jobholders numbered about the same as a year ago. Industrial employment has been running moderately lower but this has been offset by a further filling out in service occupations. The labour force has grown at a slower rate this year, reflecting a level of immigration less than half that of 1957. Unemployment has been higher but the percentage increase from the same date a year ago has been narrowing sharply.

Foreign Trade

Despite conditions of ample supply in world-commodity markets, Canada's sales abroad have not followed the downward trend of world trade at large. Total exports in 1958 have remained at about the same level as in the preceding year. Substantially increased sales have been achieved for several commodities. Prominent among these is wheat, exports of which reached 316 million bushels in the crop year 1957-58 - up from 267 million bushels in the preceding year. Sales in commercial markets accounted for a good part of this increase. The improved protein quality of the 1957 and 1958 crops has been an important factor contributing to higher sales. Shipments made to Colombo Plan countries under long-term credit and aid arrangements have further added to the total movement. Barley also has been exported in larger quantities during the past year, most of the increase going to the United Kingdom. Canadian beef has been moving into the United States market in substantially increased volume to supplement drought depleted supplies in that country. The annual export value of this item has surpassed the \$100 million mark for the first time since 1950. Among Canada's newer exports, sales of uranium have risen more than two-fold since last year to a figure well in excess of one-quarter billion dollars annually. With the delivery of natural gas through the West Coast transmission line, the export value of this item is fast approaching the \$20 million level. Within the category of manufactured goods, deliveries of military aircraft to NATO countries have added more than a \$100 million to exports during the past year. Among Canada's more traditional markets, sales of farm implements to the United States have been substantially higher during 1958. Increases in the value of exports of the foregoing items have roughly offset declines in a number of Canada's principal forest and mineral export commodities. On