

rate of increase has been slower and the volume of new work coming forward has been declining. This change in trend, appearing at a time when additions to manpower and other productive resources have been unusually large, has had a moderating effect upon the tempo of general business activity.

### Production and Employment

Gross National Product (which represents the total value of all goods and services produced) has increased by 3 or 4 per cent this year compared to last. Nearly all of this increase is a reflection of higher prices. Overall physical output, except for the decline in crop production, has remained about stable since the fourth quarter of 1956. However, divergent output trends have prevailed in the major industrial sectors.

Activity in the principal services lines (which account for about one-half of total employment) has continued to expand. Easier labour market conditions have permitted further rounding out in these industries which, in preceding years, had been restricted by man-power shortages.

On the other hand, mining and manufacturing output, taken as a whole, have been declining since early in the year. Although the demand for mineral and forest products has weakened during 1957, output of many of the major commodities in this group will be higher on the basis of a full year-over-year comparison. Elsewhere in manufacturing, industries showing increased output for 1957 include food and beverages, clothing and leather footwear, chemicals, business, electrical and industrial machinery, primary iron and steel and railway transportation items. In some of these industries, however, activity has fallen off in recent months. Conditions affecting construction material producers have differed. Many of the items used mainly for housing have been in over supply since the early part of the year. Despite a slightly expanded domestic market, output of primary textiles has declined in the face of rising imports for each of the principal types of fabric. Sales and production of both automobiles and commercial vehicles are somewhat below last year's levels, but demand for European-type cars has continued upward. Household appliance producers have had a relatively poor year. Fewer housing completions and more stringent consumer credit conditions have adversely affected the market for these items. Although domestic producers have, in general, held their own against imports, production of all major appliance items (except freezers) is down. Operations in the farm implement industry have remained at a relatively low level, reflecting the below average crop in the West and lower farm incomes.

Total employment has averaged about 2½ per cent higher this year compared to last although this margin of increase has narrowed in recent months. Despite this rise in the number of persons with jobs, unemployment also has increased. The November level of persons without jobs and seeking work amounted to 5 per cent of the labour force; double the proportion one year ago.