

GROSS NATIONAL PRODUCT REMAINS STEADY

\$23.9 BILLION: Canada's gross national product remained steady in the second quarter of 1954, at a seasonally adjusted annual rate of \$23.9 billion, according to advance figures released on September 13 by the Dominion Bureau of Statistics.

The minor declines in production of the two preceding quarters were not resumed. The level of aggregate output was thus unchanged from the first quarter of 1954 but was almost 2% below last year's annual average of \$24.3 billion. This decline from last year reflects a substantially lower value of crop production which is now estimated to be \$400 million below a year ago. The lower estimate is based on latest available information on expected crop yields.

SMALL INCREASE

It appears that the recent declines in total non-agricultural production were halted in the second quarter and that a small increase occurred. Related indicators show that production in durable goods manufacturing, construction, and transportation, communication and storage continued to move downward in the second quarter, following the trends which began in 1953. Declines in these groups, however, were offset by gains in the service industries (except transportation) and in the non-durable goods producing industries, except clothing.

In manufacturing, the major declines in durable goods production from the first to second quarter occurred in transportation equipment, electrical apparatus and supplies and iron and steel products. The transportation, communication and storage group was affected by declines in shipments of grains, motor vehicles and farm implements.

Persons without jobs and seeking work in the second quarter of 1954 constituted 4.4% of the total labour force, compared with 2.3% in the second quarter of 1953. The number of paid workers with jobs showed a decline of 1% from

a year ago. However, higher average hourly rates more than offset declines in total employment and in average hours worked so that labour income in the second quarter showed a small increase over last year. The increase in average hourly earnings in non-durable goods manufacturing amounted to 6.4%, and in durable goods manufacturing to 3.6%; in construction and mining, the gains were 4.6% and 2.8%, respectively.

With gains occurring in other elements of personal income as well as wages and salaries, the purchasing power of the personal sector was maintained at a high level in the second quarter of 1954. Personal disposable income was, in fact, more than 5% above the second quarter of a year ago, despite the relative stability of total production.

DECLINES

Total final purchases of goods and services, home produced and imported, (but excluding inventories) were slightly lower in the second quarter of 1954 than a year earlier. Declines occurred in government expenditures, non-residential construction, machinery and equipment, and exports. These declines were only partly offset by a substantial increase in personal expenditure on consumer goods and services, with the result that total final purchases (excluding inventories) fell by about 1%.

This relatively minor drop in final purchases of goods and services from a year ago was accompanied by a much smaller business inventory accumulation in the second quarter (partly offset by smaller net withdrawals from stocks of grain in commercial channels and farm inventories). Nevertheless, Canadian production as measured by gross national expenditure, remained stable relative to a year ago, since imports fell sharply (by 11% as adjusted for the national accounts), more than offsetting the total decline in final purchases and inventory change.

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DIPLOMATIC SERVICE TRANSFERS: The Secretary of State for External Affairs on September 14 announced the following transfers within the Canadian diplomatic service:

Mr. D'Arcy McGreer, Canadian Minister to Denmark, will return to Ottawa later in the year as Chief of Protocol succeeding Mr. H.F. Feaver. Mr. Feaver replaces Mr. McGreer as Canadian Minister in Copenhagen and is expected to take up his post in November.

Mr. Morley Scott will be the High Commissioner to Pakistan, succeeding Mr. K.P. Kirkwood who returned to Canada in June of this

year. Mr. Kirkwood has been appointed an Alternate Representative on the Canadian Delegation to the forthcoming Ninth Session of the United Nations General Assembly. Mr. Scott was, until recently, Minister-Counsellor at the Canadian Embassy in Tokyo. He is expected to assume his new duties in November.

Mr. Douglas Cole, at present Canadian Consul General in Chicago, is to become Canadian Ambassador to Mexico, succeeding Mr. Jules Léger. Mr. Léger's appointment as Under-Secretary of State for External Affairs was announced on July 1. Mr. Cole will take up his new post in November.