

and some other crops, but most other industries have experienced substantial gains. Industrial production has increased by 8 per cent.

Expanding production has, in turn, meant more jobs. Total employment has been nearly 3 per cent higher on the average in 1959 than in the preceding year. The long-term decline in farm employment has continued, but non-farm jobholders increased by $3\frac{1}{2}$ per cent. New job opportunities have kept ahead of the expanding labour force and unemployment has declined. Considered as a proportion of the labour force, the number of jobless persons in Canada fell from 6.6 per cent in 1958 to 5.6 per cent in 1959. By November, unemployment was 18 per cent below the level of a year ago.

Incomes and Consumption

The improved tempo of economic activity has been reflected in higher returns to all major income groups. Higher operating levels in industry have contributed to a sharp recovery in corporate profits, together with a further increase in wage and salary scales. Increased rates of pay, together with more and steadier employment, have raised labour income by 8 per cent this year compared with last. All major categories of investment income have increased. Government payments to individuals have shown a further slight increase, following on the substantial rise of the preceding year. Despite lower prices for some commodities and below-average harvests, cash returns to farmers have been well sustained. Personal income in total, after deducting direct tax payments, increased by 6 or 7 per cent between 1958 and 1959.

This strong income trend has provided the basis for a quite substantial rise in consumer spending. Durable goods, in particular, have surged ahead with automobile sales up 15 per cent and most of the major household appliances also showing substantial gains. Spending on each of the major categories of soft goods, and on services, has shown at least a moderate rise. Consumer spending in total is up by 6 per cent. With consumer prices having risen little more than 1 per cent, per capita spending in real terms has increased 2 to 3 per cent, a better than average gain.

While spending more, Canadians have also been saving more. As a proportion of disposable income, savings in 1959 have reached the unusually high ratio of 8 per cent. Thus the financial position of the Canadian consumer remains strong, while living standards have improved.

Investment

Capital spending, both private and public, has risen slightly in 1959. Commercial, institutional and public investment has comprised an increased proportion of the total program. In basic industries, such as mineral products and fuel and power, the build-up of new capacity, though not as