

June 1958, exports at \$428,500,000 were valued at almost 9 per cent higher than in June 1957, imports declined slightly to \$449,500,000, and the import balance, which had been \$59,900,000 in June 1957, was reduced to \$21,000,000.

On a seasonally adjusted basis, imports began to decline in the first quarter of 1957 and have continued to fall in all subsequent quarters although the rate of decrease slackened in the first two quarters of 1958. In the second quarter, of 1958 seasonally-adjusted exports moved upwards, after declining in the last quarter of 1957 and the first quarter of 1958.

Exports to the United States were somewhat lower in the first half of 1958 than in the same period of 1957 and were valued at \$1,368,900,000. Imports from the same country declined by almost 15 per cent in the first six months of 1958 to \$1,823,000,000 and the consequent reduction in Canada's import balance with the United States - to \$454,100,000 from \$744,800,000 - contributed markedly to the reduction of the overall import balance. The import decline seems to have been distributed among most main groups but to have been absolutely and relatively greatest in iron and steel goods with non-farm machinery and primary iron and steel being particularly affected in this group. The proportion of Canadian exports marketed in the United States in the first half of 1958 was 57.5 per cent, the lowest for any first six month period since 1952. Imports from the United States accounted for 70.8 per cent of the total and this was a smaller share than in any similar period since the first half-year of 1951. The smaller share of the United States in Canadian exports and imports is at least partly due, on the one hand, to the increased overseas exports of wheat, other grains, and aircraft, which are not normally marketed in the United States in significant quantities and, on the other, to the importance of the United States as a supplier of industrial material and equipment.

In the first half of 1958, exports to the United Kingdom were \$369,700,000 - some 8 per cent higher than in the previous year. Imports from the United Kingdom increased by about 3 per cent to \$266,700,000 and the United Kingdom's shares in total exports and imports were 15.5 per cent and 10.4 per cent, respectively, the import share thus being somewhat higher than in other recent years. Exports to the Commonwealth rose by almost one-third in the first half of 1958, largely because of Canadian-financed shipments of wheat to India, and the proportion of total exports going to the Commonwealth rose somewhat to 6.5 per cent.

In the second quarter of 1958, exports to the United Kingdom increased by 18 per cent, compared to the same period of 1957, more than twice as sharply as in the first six months as

a whole. The increase in exports to the Commonwealth was, relatively, of similar magnitude in both periods. Exports to the United States, on the other hand, declined by about 2 per cent in the second quarter, while those to other foreign countries as a group increased by some 18 per cent, largely because of higher exports of aircraft to the Federal Republic of Germany and Belgium, and compared to an increase of 2 per cent in the first half-year. As in the first six months, imports from the United Kingdom increased by about 3 per cent in the second quarter of 1958, and imports from the Commonwealth declined by about 9 per cent. Compared to the second quarter of 1957, the value of imports from the United States was some 13 per cent less in the same period of 1958, a slightly smaller drop than that for the first half-year. Imports from other foreign countries, which fell by about 3 per cent in the first six months, declined by more than 6 per cent in the second quarter.

In the month of June, exports to the United States declined moderately as those to the United Kingdom, the Commonwealth, and other countries taken as a group increased significantly. Imports from the United Kingdom and from the Commonwealth increased moderately in the month, those from other countries declined somewhat, and those from the United States were virtually unaltered.

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LABOUR INCOME LARGER

Wages, salaries and supplementary forms of labour income paid to Canadian residents in May reached an estimated \$1,312 million, up \$51 million or 4 per cent from the preceding month's \$1,261 million. The rise over May last year was \$42 million or 3 per cent. Total for the January-May period was \$6,269 million, 3 per cent larger than the year-earlier total of \$6,095 million.

Largest part of the increase in June over May can be explained in terms of normal seasonal influences, the effects of which were wide-spread but particularly noticeable in construction and in the primary industries other than mining. However, there were significant non-seasonal increases as well, notably in manufacturing, construction and transportation. In total, seasonally adjusted labour income rose to \$1,313 million, an increase from April of \$9 million or 0.7 per cent.

January-May totals by main groups (in millions): agriculture, forestry, fishing, trapping and mining, \$387 (\$406 a year earlier); manufacturing, \$1,923 (\$1,956); construction, \$428 (\$403); utilities, transportation, communication, storage, trade, \$1,666 (\$1,601); finance, services, \$1,649 (\$1,515); and supplementary labour income, \$216 (\$214).