

earnings, on the other hand, has been of more moderate proportions. Slightly lower employment together with a moderating upward trend in wage rates have resulted in a 2 per cent increase in labour income. Personal income, in total, increased by about 5 per cent between 1957 and 1958. Personal direct tax payments have been lower so that income left at the disposal of individuals has risen by about 6 per cent. Per capita income in real terms has maintained an upward trend.

Consumer spending in 1958 has increased by about 4 per cent from the level of the previous year, reflecting mainly higher outlays for food and other soft goods, services, and certain durable lines. Of the major consumer items, automobiles is the only one to show a significant decline. While spending more, Canadians have also been saving more. As a proportion of disposable income, personal savings have increased from 7 per cent in 1957 to about 9 per cent in the current year, much of this in liquid form. This is one of the highest ratios on record for a peacetime year. The financial position of consumers, on average, has been strengthening while living standards have been maintained.

### Industrial Conditions

The changing pattern of market demands during the past year has resulted in quite divergent conditions among Canadian industries. Many consumer lines, construction, and related material-producing industries have had a good year - in some cases a record one. On the other hand, most durable goods producers and export processing industries have experienced set-backs. In aggregate terms, shipments from domestic sources have declined less than imports, but in some manufacturing lines import competition has been felt keenly.

Among the consumer-based industries, the food-processing group has had an unusually busy year as a result of rising domestic demand and increased marketings of livestock and other farm products. In fish products industries, the tremendous sock-eye salmon catch in B.C. was the highlight of the year; however, landings on the East Coast have been down. In the clothing and textile trades, a high level of purchasing at retail has been accompanied by a quite substantial drawing down of stocks, and output in the industry has declined temporarily. In the case of cotton and woollen fabrics, imports have shown about the same percentage fall as domestic shipments, indicating that most domestic producers have been holding their own against foreign competition. In synthetic lines, however, domestic manufacturers have witnessed a further diminution in their share of a somewhat smaller market. Leather goods manufacturers, on the other hand, have maintained a fairly steady volume of business. Automobile producers have been affected by a moderate decline in total sales in the Canadian market and also by quite substantial inroads on the part of European-type cars. In the first nine months of 1958, automobile and