

It may be recalled that in 1955 the pattern of demand was characterized by rising expenditures for consumer goods and services, a sharp advance in housing outlays, and a large gain in exports. In the first nine months of 1956, the major dynamic element on the demand side has been the very sharp expansion in the rate of fixed capital investment expenditure, but it is interesting to note that consumer expenditures and exports have also shown increases which come very close to matching those of the year 1955 in percentage terms. As a result, total final purchases (excluding inventories) by the major spending groups have increased by more than 11 per cent in the first nine months of 1956 compared with an increase of less than 9 per cent in 1955. However, a larger proportion of these final demands was met out of imports of goods and services in the first nine months of 1956, and the value of Canadian production has increased only slightly more than in 1955. As has been noted, price factors were more significant in this year's increase, and in volume terms the 1956 production gain will be somewhat lower than in 1955.

A number of major developments can thus be singled out as characterizing the first nine months of 1956. These are:

- (1) A very large advance in fixed capital investment expenditures by business, for plant, machinery and equipment.
- (2) A sharp rise in imports and in the current account deficit, accompanied by a gain in exports comparable to last year's increase.
- (3) Upward pressures on prices which are now showing up in all major segments of gross national expenditure, but more particularly in construction and machinery and equipment items.
- (4) An increase in consumer expenditures equivalent to that of the year 1955.
- (5) A marked increase in the rate of business inventory accumulation, particularly in the first half of the year.
- (6) Gains in national and personal income of 11 per cent and 10 per cent.

Gains in production in the first nine months of 1956 were accompanied by an increase of 5 per cent in the number of persons with jobs in the non-agricultural sector of the economy. Persons with jobs in the construction industry rose by 12 per cent. The very pronounced increase in the number of persons with jobs in the non-agricultural sector of the economy was made possible by a decline in unemployment, further transfers of persons from agricultural to non-agricultural employment, and by the entry into the labour market of members of the population not recently in the labour force. Persons without jobs and seeking work in the first nine months of 1956 were about 25 per cent below the same period of a year ago, and averaged 3 per cent of the total labour force.

Prices in the nine months have shown increases over a year ago in almost all categories of the gross national expenditure. Prices of machinery and equipment items have averaged about 7 per cent higher, while the price factor in new non-residential construction has averaged 8 per cent higher. Residential construction prices are up by about 4 per cent over a year ago. Both exports and imports of goods and services have risen in price by 3 per cent or 4 per cent. The price factor in consumer expenditure has risen by about 1 per cent in the nine months' comparison, and it should be noted that consumer prices have been rising more sharply since mid-year; between May and November the increase in the consumer price index was more than 3 per cent, mainly attributable to a rise in food prices, which had previously been declining.

AUTO TRANSPORTER: Canadian National Railways scored another North American "first" when its newest and largest freight car, the automobile double-deck transporter, was put through its paces in a public demonstration in downtown Montreal.

Representatives of manufacturers and auto dealers joined railway officers at the CNR's Bonaventure Yard to watch 1957 model cars being loaded and unloaded through the giant end doors of the auto transporter.

The auto transporter is the second new type of freight car which the CNR has introduced to the railroad industry within the past year. First came the pulpwood car, designed to improve loading and transportation of pulpwood and to increase car capacity by 70 per cent.

The auto transporter measures 74 feet, six inches long by 16 feet, six inches high. The car is the largest freight unit in service on any railway in North America.

Eight autos are carried on the two decks, loading and unloading under their own power via the special lightweight ramps.

A special feature of the car is the shock-absorbing tie-flown equipment which insures a safe, smooth ride for the automobiles. Each auto rides on platforms which can slide a few inches in either direction along the length of the car. The sliding action is controlled by heavy custom-built coil springs. Each auto is fastened down to its platforms by means of chain-and-turn buckle linkages which fasten to special hubs attached to the auto's wheels and axles.

Despite the car's great size, it can go anywhere on Canadian National Railways lines in Canada except for some half-dozen points where clearness is limited.

The car is not unusually heavy, even when fully loaded, and it rides on standard freight car wheels and axles.

The transporter will find its greatest utilization carrying cars into "mass market" auto sales areas such as Canada's larger cities.