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## H I G H L I G H T S     O F     T H I S     I S S U E

National Accounts: The advance in gross national product slowed in the first quarter of this year. The increase of 1% was the smallest quarter-to-quarter gain, apart from the third quarter last year, since the recovery from the 1957-58 recession. With no overall change in prices the advance represents a real, though modest, gain in physical volume of output.

(Pages 2-4)

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Balance Of Payments: The deficit from Canada's current transactions in goods and services with other countries amounted to \$318 million in this year's first quarter, compared to \$415 million in the like 1959 quarter. This reduction was due entirely to a smaller import balance on merchandise account of \$46 million versus \$154 million. The deficit from other current transactions rose to \$263 million from \$252 million, while official contributions were unchanged at \$9 million.

(Pages 5-7)

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Labour: Number of persons with jobs increased by 250,000 between April and May this year to an estimated 5,992,000. Most of the gain occurred in seasonal industries. Number without jobs and seeking work decreased by 118,000 in the month to 399,000. Virtually all of this drop was among males and over half was in Quebec.

(Pages 8-9)

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Business: Cheques cashed in clearing centres in April were valued at \$23,-221,359,000, larger by 8.3% than a year earlier, putting the January-April total 11.4% above last year at \$89,001,677,000. Debits were larger than a year earlier in both periods in all economic areas except British Columbia in the month.

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Manufacturing: Operating at 78.3% of rated capacity, Canada's steel mills produced 101,234 tons of steel ingots in the week ended June 18 ... Some 15,232,000 gallons of carbonated beverages were produced in May this year, boosting the January-May total nearly 12% above last year at 59,999,000 gallons.

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Transportation: Loadings of railway revenue freight declined in the first week of June to 78,065 cars, leaving the January 1 - June 7 total 1.0% under last year at 1,547,801 cars. Receipts from connections were down in the week but up in the cumulative period, while piggyback loadings were up in both periods.

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Gross National Product In First Quarter      The advance in gross national product moderated in the first quarter of 1960. Apart from the third quarter of last year, the increase of 1% was the smallest quarter-to-quarter gain in the value of production (seasonally adjusted) since the expansion began following recovery from the 1957-1958 recession. With prices showing no overall change, the first quarter advance represents a real, though modest, gain in the physical volume of output. 1/

The less vigorous advance in gross national product in the first quarter was associated with a levelling off in total final purchases of goods and services (see table, page 3). While there was a decline in final domestic demand, external demand for Canadian export products continued to rise. All of the production gain during the quarter was represented, on balance, by a movement into inventory stocks. There was a significant increase in the rate of inventory accumulation at the retail and wholesale levels, and in livestock held on farms.

Prominent among the developments which operated to suppress the level of final demand during the quarter was a small but unusual decline in personal expenditure on consumer goods and services. A number of factors were associated with this drop in consumer outlays in the first quarter, among them the delayed spring weather and the late date of Easter this year. In addition, disposable income had stopped rising between the second and fourth quarter of 1959, as the effects of the work stoppage in the primary wood and wood-fabricating industries in British Columbia in the third quarter and the United States steel strike in the fourth, impeded the flow of income; higher direct personal taxes were also a factor in this development. Disposable income by the first quarter of 1960 had, in fact, risen by less than 1% over the second quarter of 1959. 2/ In addition, there was a small decline in the price of consumer goods between the fourth and the first quarters, so that the drop in the volume of consumer outlays was only about half as much as that indicated in the value figures. While it is clear that the retardation in the growth of consumer income and the price decline have affected the movement of the figures, it is not possible to assess the relative importance of these factors in relation to the irregular influences of a delayed spring and a late Easter this year.

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1/ A small part of the first quarter increase (about \$50 million) represents a higher estimate of crop production in 1960, based on a calculation involving acreage intentions and 10-year average yields.

2/ A factor of some significance in the current period has been the fact that recent gains in employment have been concentrated in the service industries where wage rates tend to be lower than in the goods-producing industries. Structural changes of this nature in the composition of employment have slowed the rate of growth in labour income and this in turn may have had an effect on the level of personal expenditures.

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Quarter to Quarter Changes in Final Purchases  
(Seasonally Adjusted at Annual Rates)  
(\$ millions)

	1Q'56 to 2Q'56	2Q'56 to 3Q'56	3Q'56 to 4Q'56	4Q'56 to 1Q'57	1Q'57 to 2Q'57	2Q'57 to 3Q'57	3Q'57 to 4Q'57	4Q'57 to 1Q'58	1Q'58 to 2Q'58	2Q'58 to 3Q'58	3Q'58 to 4Q'58	4Q'58 to 1Q'59	1Q'59 to 2Q'59	2Q'59 to 3Q'59	3Q'59 to 4Q'59	4Q'59 to 1Q'60
Personal Exp..	444	364	280	268	276	284	44	432	164	256	576	300	88	280	476	-136
Gov't. Exp....	44	404	76	-64	124	120	-28	184	84	168	88	4	276	-168	-88	68
Res. Constr...	8	-60	-88	-80	12	48	96	136	96	52	84	-120	-8	-28	28	-
Non.-Res. Con.	308	172	144	192	76	16	-56	-216	-8	-60	-100	-132	-	8	64	-12
Mach. & Equip.	220	160	120	208	-168	-180	-212	-64	-112	-16	100	-40	228	144	-68	-72
Exports.....	284	-60	40	56	-252	264	-164	8	-4	-168	284	-96	276	8	328	192
Total Final Purchases..	1,308	980	572	580	68	552	-320	480	220	232	1,032	-84	860	192	844	40
(Final Domestic Demand)...	(1,024)	(1,040)	(532)	(524)	(320)	(288)	(-156)	(472)	(224)	(400)	(748)	(12)	(584)	(236)	(412)	(-152)

Quarter to Quarter Changes in Other Selected Items

"Shift" in Non- Farm Bus. Inv.	-436	-220	484	-268	-276	-52	-560	-584	476	180	72	512	-180	128	-104	276
Change in Imports.....	208	56	188	104	-128	-100	-392	-184	-12	92	360	124	176	292	-64	48
Change in GNP (ex farm)...	532	812	760	452	80	284	-484	44	532	416	744	508	520	168	764	216

A further factor contributing to the relatively unchanged level of total final purchases in the first quarter was a decline in business outlays for new plant and equipment, seasonally adjusted, following the levelling which occurred in the fourth quarter of last year. The decline was mainly in machinery and equipment investment, and reflected a reduction in outlays by the transportation industry for railway rolling stock. Non-residential construction was little changed in the quarter, and outlays for housing remained steady. However, new orders for construction goods, non-residential building permits, and shipments of construction materials showed declines during the quarter, after allowing for seasonal factors. Housing starts fell sharply during the quarter, although completions were running well above the fourth quarter level.

Other elements of final demand continued to show moderate strength during the quarter, with exports of goods and services advancing further over the fourth quarter, on a seasonally adjusted basis, and government outlays showing a small rise following two quarters of decline in the last half of 1959. The gain in exports reflected continued strength in both overseas markets and in the United States for Canadian non-ferrous metal and forest products, particularly copper, nickel, aluminum, and lumber. On a year to year basis, commodity exports were higher than the first quarter of 1959 by 21%.

These developments in the major demand categories during the first quarter were accompanied by shifts in the composition of the income flow. With labour income rising by less than 1% from the fourth quarter, profits remaining unchanged, and net income of unincorporated business enterprises reflecting a decline in retail trade, the advance in national income in the first quarter was small, amounting to about one-half of 1%. This rate of growth is considerably less than that which occurred during the fourth quarter of 1959, when national income advanced by 2%, and labour income showed a similar rise. The rate of advance in both personal and disposable income has also slackened in recent quarters; while the first quarter rise in these two components, amounting to about 1%, was similar to that which occurred in the fourth quarter of 1959, the rates of increase are now running well below those of a year ago. (1)

The table below shows percentage changes in some of the main income components from the first quarter of 1959 to the first quarter of 1960, compared with those which occurred in the same period one year earlier.

Changes in Major Income Components  
(Seasonally Adjusted at Annual Rates)

Selected Personal and Business Income Components	Percent Change 1Q 1958 to 1Q 1959	Percent Change 1Q 1959 to 1Q 1960
1. National Income.....	8.1	3.8
2. Personal Income.....	6.4	4.2
3. Disposable Income.....	6.4	3.3
4. Wages and Salaries.....	7.6	5.0
5. Corporate Profits Before Taxes.....	19.7	4.4
6. Net Income of Non-Farm Unincorporated Business.....	3.5	-2.1



Canadian Balance Of International Payments In First Quarter Of 1960

The imbalance from Canada's current transactions in goods and services with other countries in the first quarter of 1960 amounted to \$318 million, smaller than that of \$415 million in the same period last year. The reduction in the size of the current deficit was entirely from the smaller import balance on merchandise account which fell from \$154 million to \$46 million as exports rose more than imports. The deficit from other current transactions rose to \$263 million from \$252 million and official contributions remained at the same level of \$9 million in both years.

Capital inflows for long-term investment considerably exceeded the size of the current account deficit in 1960, being substantially higher than in any other first quarter. This contrasts with the first quarter of 1959 when long-term capital inflows were significantly less than the current deficit, being supplemented by substantial short-term inflows.

Merchandise Trade - The reduction in the import balance from merchandise trade in the first quarter of 1960, compared with the same period of 1959, was due to a greater rise in exports from the relatively low level in the first quarter of 1959 than occurred in imports. The rise in exports was 21% compared with a gain of 9% in imports.

Increased export shipments to both the United States and overseas markets occurred in the first quarter of 1960 as compared with the same period of 1959, which was the lowest level in that year. The sharpest relative gains have been to overseas countries and although the increase in exports to the United States made up more than half of the total increase, the United States share of exports was reduced to slightly less than 60%. The principal gains in exports were in metals and forest products with particularly large rises in shipments of steel, copper, nickel and aluminum. Other major exports which were also much heavier than in the previous year included uranium, pulp and paper, and lumber. Most leading markets took more Canadian exports than in the previous year. Among overseas countries showing particularly large gains were the United Kingdom, most countries of Western Europe, Australia, Japan and Poland. Exceptions to the trend include Latin America and Commonwealth countries in Asia.

The rise in imports was widely distributed both as to countries of origin and commodity composition. The largest increases occurred in purchases from the United States, United Kingdom, and the rest of the Commonwealth. Further substantial increases appeared in imports of automobiles and other rises were spread among industrial materials and machinery and equipment. Among leading exceptions to this trend were petroleum and some agricultural commodities.

Non-Merchandise Items - The deficit in the opening quarter of 1960 on non-merchandise transactions estimated at \$272 million was slightly above that of \$261 million for the first three months of 1959, but nearly 14% under the high fourth quarter deficit of \$315 million. In recent years the fourth quarter has been the period when the widest imbalance from these transactions has occurred. At \$272 million in 1960 this deficit is larger than in any other first quarter and compares with \$78 million a decade earlier in the first quarter of 1950.

The rise in the deficit from these transactions in comparison with the same period of 1959 resulted from larger net payments on freight account, in transfers of migrants' funds and on all other current invisible transactions. With respect to the first two components, payments increased more than receipts. In the case of all other current transactions, Canadian defence expenditures overseas were higher in the first quarter of 1960, while net payments for business services and for personal remittances advanced moderately.

The three components which moved to narrow the deficit on non-merchandise transactions were the travel and income accounts and gold production available for export. The decline in travel expenditures abroad by Canadians from \$118 million to \$111 million was influenced by the incidence of Easter in the month of March in 1959 upon Canadian expenditures in the United States. The deficit on income account, which declined from \$111 million in the three months of 1959 to \$106 million in the first quarter of 1960, was the result of an increase from \$30 million to \$36 million in the receipts, offset partially by a rise of \$1 million to \$142 million in the payments. Larger receipts were for the most part attributable to higher yields on United States short-term securities.

A \$5 million rise to \$50 million in interest payments largely reflected Canadian borrowing in the preceding year through sales of new bond issues in the United States. A small decline in dividend payments abroad was mainly caused by the absence of transfers or smaller remittances in the first quarter by a number of large subsidiaries in the manufacturing industry to parent companies in the United States.

Capital Movements - Capital movements in such long-term forms as direct investment and portfolio security transactions led to a net capital inflow of \$380 million in the first quarter. This was about a fifth greater than the current account deficit. In the first quarter of 1959 the inflows in such long-term forms totalled \$262 million, equivalent to about two-thirds of the larger current account deficit incurred in that period. The other capital movements in the first quarter of 1960, mainly in short-term forms, amounted on balance to a capital outflow of \$62 million. An outflow from this category of transactions has not previously occurred in the first quarter since 1954.

The net movement of foreign capital into Canada for direct investment in foreign-controlled enterprises during the quarter is tentatively placed at \$175 million. This is more than double the figure for the corresponding quarter of 1959, and nearly half as large again as in 1956 when first quarter inflows were at their earlier high level. Inflows to the petroleum and natural gas industry, and to mining accounted for about two-thirds of the net movement. Inflows to manufacturing accounted for about a quarter of the total. Included in each of these groups were some movements for the acquisition of existing investments from residents of Canada. The net movement of Canadian capital for direct investment abroad during the quarter is tentatively estimated as an outflow of \$5 million.

MORE



Transactions in Canadian portfolio securities brought \$200 million into Canada in the first quarter. This compared with \$158 million in the final quarter of 1959 and \$208 million in the first quarter of that year. It included net sales to non-residents of \$20 million of outstanding Canadian bonds and debentures, \$13 million of outstanding Canadian common and preference stocks, and \$203 million of Canadian new issues, offset to the extent of \$36 million by the retirement of foreign-held Canadian debt. Sales to non-residents of new issues of provincial governments fell sharply from the earlier periods, but sales of new municipal issues rose to their highest level for many years. Sales to non-residents of new issues of corporate bonds and debentures rose from \$34 million in the fourth quarter of 1959 to \$72 million in the quarter under review. The first quarter figure compared with \$112 million for the whole of 1959 was the highest since the second quarter of 1958. Nearly half of the total for the first quarter represented issues of companies engaged in the financing of consumer durables.

Transactions in foreign securities led to a net capital inflow in the first quarter of \$10 million. On balance this movement reflected the resale by Canadians of outstanding issues of United States stocks. During each quarter of 1959 Canadians added to their holdings of foreign securities.

There was a capital outflow of \$22 million during the quarter arising from reductions in Canadian dollar holdings of foreigners. Nearly half the decline was in holdings of Canadian treasury bills. Canada's official holdings of gold and foreign exchange fell moderately during the quarter, resulting in a capital inflow of \$11 million. Official holdings of gold and United States dollars, expressed in terms of United States currency, were \$1,856 million at the end of the quarter compared with \$1,869 million at the beginning.

All other capital movements were outward, on balance, in the amount of \$51 million. This development was in sharp contrast to the results from 1956 to 1959 when inward movements in excess of \$100 million were indicated in the first quarter each year.

A substantial part of the movement in the first quarter of 1960 reflects net repayments of short and long term debt by Canadian corporations, including industrial and financial companies. A part of these repayments was financed by new issues of Canadian securities sold to non-residents. Non-official holdings of foreign exchange do not appear to have changed significantly on balance during the quarter. (2)

#### VITAL STATISTICS

Births, Deaths & Marriages More births, deaths and marriages were registered in provincial vital statistics offices in May than in the corresponding month last year. January-May registrations were smaller for births and deaths and larger for marriages. May totals were: births, 41,482 (37,944 a year earlier); deaths, 12,202 (11,401); and marriages, 9,877 (8,787). January-May figures: births, 194,984 (201,185); deaths, 60,093 (60,655); and marriages, 39,891 (36,594). (3)

Employment Situation In May Between April and May this year the number of persons with jobs increased by 250,000 to 5,992,000, according to the monthly joint news release by the Department of Labour and the Dominion Bureau of Statistics. This advance, which was greater than that of the same month of the past two years, followed a relatively small increase in the previous month. Most of the hiring during the month took place in seasonal industries. Total employment in May was 2.4% higher than a year earlier and non-farm employment 3.7% higher.

Employment in Quebec increased more than is usual for the month, while in the Pacific region it was below normal. In Ontario and the Prairie and Atlantic regions employment gains were about equal to the seasonal average.

In May the increase in the labour force over the previous year was more than 3%, the largest gain in two years, and considerably greater than the year-to-year increase in employment. Females accounted for more than half of the increase, reflecting the growing number of job opportunities for women in the trade and service industries.

The number of persons without jobs and seeking work declined by 118,000 to 399,000 during the month. This was 65,000 higher than a year earlier. Virtually all of the decline in job-seekers between April and May was among males and over half of it was in Quebec. The number seeking work represented 6.2% of the labour force, compared to 5.4% in May 1959 and 6.0% in May 1958. The estimated number on temporary layoff declined by 15,000 in May to 19,000, about the same total as a year ago.

Of the 399,000 seeking work in May, 350,000 were men and 49,000 were women. About half of the total number of job-seekers had been looking for work less than three months. Another one-third had been seeking work for four to six months and 70,000 or 17% had been seeking work for more than six months.

The classification of the 110 labour market areas across the country was as follows (last year's figures in brackets): in substantial surplus, 33 (28); in moderate surplus, 67 (60); in balance, 10 (22).

Canada's labour force was estimated at 6,391,000 in the week ended May 21, compared to 6,259,000 a month earlier. Of the current total, 5,592,000 or 87.5% of those in the labour force usually worked 35 hours or more at the jobs they held in the survey week, 400,000 or 6.3% usually worked less than 35 hours, and 399,000 or 6.2% were without jobs and seeking work. Classed as not in the labour force are such groups as those keeping house, going to school, retired or voluntarily idle, too old or unable to work, and these numbered 5,368,000.

Of the persons who worked less than full time and were not regular part-time workers, some 73,000 or 1.1% of the labour force worked less than full time on account of short time and turnover (41,000 being on short time and 19,000 having found jobs during the week), 19,000 or 0.3% were not at work due to temporary layoff, while 247,000 or 3.9% worked less than full time for other reasons. Other reasons included: illness, 88,000; vacation, 64,000; and bad weather, 36,000.



During the corresponding week in 1959, there were 6,186,000 in the labour force, of whom 5,466,000 usually worked 35 hours or more at the jobs they held during that week, 386,000 usually worked less than 35 hours, and 334,000 were without jobs and seeking work. There were 5,345,000 classed as not in the labour force. (4)

## C O N S T R U C T I O N

Building Permits Issued In April Value of building permits issued by Canadian municipalities in April increased to an estimated \$176,269,000 from the revised March total of \$134,977,000. Value of residential building permits rose to \$84,425,000 from \$59,023,000 and non-residential to \$91,844,000 from \$75,954,000.

Values were higher in April than in March for all provinces except Manitoba. Totals were: Newfoundland, \$2,179,000 (\$186,000 in March); Prince Edward Island, \$160,000 (\$20,000); Nova Scotia, \$1,639,000 (\$1,591,000); New Brunswick, \$2,161,000 (\$688,000); Quebec, \$37,032,000 (\$33,500,000); Ontario, \$80,298,000 (\$55,513,000); Manitoba, \$9,679,000 (\$12,687,000); Saskatchewan, \$1,307,000 (\$3,958,000); Alberta, \$16,357,000 (\$11,696,000); and British Columbia, \$21,457,000 (\$15,138,000). (5)

## B U S I N E S S

Cheques Cashed In Clearing Centres Value of cheques cashed in clearing centres in April increased 8.3% to \$23,221,359,000 from \$21,433,200,000 in the same month last year. This brought the value of cashings in the January-April period to \$89,001,677,000, larger by 11.4% than the year-earlier total of \$79,895,220,000.

Debits were larger in April and January-April this year than last in all economic areas except British Columbia where a decline occurred in the month. Increases in April (January-April gains in brackets) were: Atlantic Provinces, 4.4% (10.7%); Quebec, 20.8% (16.7%); Ontario, 4.6% (11.0%); and the Prairie Provinces, 3.1% (4.7%). Values were lower by 3.8% in the month in British Columbia and higher by 5.7% in the four-month period. (6)

## P U L P W O O D

Pulpwood Production, Consumption & Inventories In April, 4 Months Production of pulpwood in April increased to 520,757 rough cords from 396,272 in the corresponding month last year and consumption to 1,164,572 rough cords from 1,143,292. January-April output advanced to 3,217,662 rough cords from 2,643,773 in the like 1959 period and consumption to 4,672,640 rough cords from 4,374,161. End-of-April stocks amounted to 13,217,415 rough cords, down from 13,926,284 at the end of March but up from 12,827,319 at the end of April a year ago. (7)

April Index Of Industrial Production Canada's seasonally adjusted index of industrial production (1949=100) in April declined 2.4% to 167.3 from the March level of 171.4. All three major sectors of the index contributed to the drop; manufacturing declined 2.4%, mining 1.7%, and electric power and gas utilities 3.1%.

The drop in manufacturing was reflected both in durable and non-durable output, with the former declining 3%, and the latter by 2%. Within non-durables, the only groups to show increases (seasonally adjusted) were clothing products, 2% and products of petroleum and coal 4%. Elsewhere, declines were registered in foods and beverages 1%, chemicals and allied products 2%, leather products 2%, paper products 3%, textiles 7%, tobacco products 10%, and rubber products 11%. Printing, publishing and allied industries and miscellaneous manufactures showed no significant changes in April.

The decline in durable manufacturing output was widespread, with the exception of wood products which showed an increase of 3%. Transportation equipment, adversely influenced by a 6% drop in the output of motor vehicles, declined by 3%. Non-ferrous metal products were off by 3%, electrical apparatus and supplies and iron and steel products by 4%, and non-metallic mineral products by 9%.

Increases among individual manufacturing industries included: roofing paper, 22%; petroleum products, 5%; and sawmills, 8%. Decreases included: cotton goods, 13%; iron castings, 9%; primary iron and steel, 12%; non-ferrous smelting and refining, 4%; telecommunication equipment, 21%; and concrete products, 20%.

The decline in the output of Canadian mines was the result of a fall of 6% and 8%, respectively, in metal and non-metal mining, partly offset by a 3% increase in the output of fuels. The most significant movement in the metal mining component was a 15% drop in the output of "other" metals (including uranium). A substantial drop in the output of coal was more than offset by increases of 10% and 7%, respectively, in natural gas and crude petroleum. Asbestos production declined about 8%.

The declines of 3% in the output of central electric stations and 4% in gas utilities reflect a return to more normal production levels after irregularly high output in March.

## PRICES

### Security Price Indexes

	<u>June 16</u>	<u>June 9</u> 1935-39 = 100	<u>May 19</u>
<u>Investors' Price Index</u>			
Total common stocks .....	251.0	254.2	251.4
Industrials .....	257.7	261.5	260.3
Utilities .....	191.3	194.7	188.0
Banks .....	322.7	319.5	308.8
<u>Mining Stock Price Index</u>			
Total mining stocks .....	95.6	97.8	98.3
Golds .....	64.1	65.7	67.4
Base metals .....	167.7	171.3	168.9



Production & Imports Of Coal      Production of coal rose in May to 623,000 tons from 570,332 in the same month last year, boosting the January-May total to 4,518,939 tons from 4,254,776. Landed imports increased in May to 1,514,617 tons from 1,308,543, while the five-month total was little changed at 3,061,029 tons versus 3,068,204.

Coal output was higher in May than a year ago in Nova Scotia, Saskatchewan and British Columbia and lower in New Brunswick and Alberta. Month's totals by provinces: Nova Scotia, 322,000 (267,865 a year ago); New Brunswick, 63,000 (70,570); Saskatchewan, 103,000 (98,508); Alberta, 77,000 (80,795); and British Columbia and Yukon, 58,000 (52,594). (8)

Gold Production      Production of gold in April declined to 365,552 fine ounces from 376,795 in the corresponding month last year. With increases in all preceding months this year over last the January-April total rose 0.9% to 1,503,127 fine ounces from 1,489,331 a year ago.

Output was greater in April and the January-April period this year than last in British Columbia and the Yukon and Northwest Territories and smaller in Quebec. Production in Newfoundland and Nova Scotia, and Ontario was smaller in the month but larger in the four months, while output in the Prairie Provinces was greater in the month and smaller in the cumulative period. (9)

Production of Copper, Nickel, Lead, Zinc And Silver In April      Production of copper, nickel, lead and zinc was larger in April than in the corresponding month last year, while output of silver was smaller. The figures: copper, 34,289 tons (32,130 a year earlier); nickel, 17,524 tons (15,493); lead, 16,266 tons (16,237); zinc, 35,286 tons (33,087); and silver, 2,542,105 fine ounces (2,691,503). (10 & 11)

## F I S H E R I E S

Maritime Sea Fisheries In May      Landings of sea fish and shellfish in the Maritime Provinces in May at 87,042,000 pounds were sharply greater than the year-earlier total of 61,439,000 pounds, according to monthly summary fish statistics released jointly by the Department of Fisheries and the Dominion Bureau of Statistics. Landed value was also substantially larger at \$7,433,000 versus \$5,361,000.

Catch of groundfish in May increased to 41,083,000 pounds from 35,103,000 a year earlier and the value to \$1,502,000 from \$1,404,000. Landings of pelagic and estuarial fish in May nearly doubled, rising to 29,818,000 pounds from 15,062,000, and the landed value more than doubled, increasing to \$522,000 from \$203,000. Catch of molluscs and crustaceans in May advanced to 16,141,000 pounds from 11,274,000 and the landed value to \$5,409,000 from \$3,754,000.

Department Store Sales Department store sales in the week ending June 11 were larger by 1.1% than in the corresponding week last year, according to a special DBS statement. Increases of 7.9% in the Atlantic Provinces, 5.0% in Quebec, 3.2% in Ontario and 3.7% in British Columbia more than offset decreases of 12.6% in Manitoba, 3.1% in Saskatchewan and 7.7% in Alberta.

## MANUFACTURING

Week's Steel Ingot Production Output of steel ingots in the week ending June 18 amounted to 101,234 tons as compared to 103,019 in the preceding week and 105,505 in the corresponding week last year, according to a special DBS statement. Canada's steel mills operated in the week at 78.3% of rated capacity (6,719,000 tons as at January 1, 1960), compared to 79.7% in the preceding week and 86.9% of rated capacity (6,313,000 tons as at January 1, 1959) in the same week last year.

Carbonated Beverages Production of carbonated beverages in May amounted to 15,231,600 gallons, an increase of 18.2% over last year's corresponding total of 12,885,900. This brought January-May production to 59,998,900 gallons, larger by 11.7% than in the same period last year. (12)

Shipments Of Cement Canadian manufacturers shipped or used 314,013 tons of Portland cement in April, a marked decrease from last year's corresponding total of 445,685. This brought January-April shipments to 968,855 tons as compared with 1,134,942. Month-end stocks at plants and warehouses were 813,201 tons versus 835,965 a year ago. (13)

Shipments Of Floor Tile Producers' shipments of vinyl-asbestos floor tiles rose in May to 4,513,678 square feet from 3,962,546 in the corresponding month last year and in the January-May period to 25,734,656 square feet from 19,816,124. Month's shipments of asphalt floor tile fell to 731,729 square feet from 1,063,552, bringing the five-month total to 5,935,594 square feet as compared to 7,353,116. (14)

Production Of Processed Foods Canadian food processors manufactured larger quantities of plain and fancy biscuits, soda biscuits, chocolate bars, bulk chocolate confectionery, boxed and packaged chocolates, raspberry jam, jellies, marmalades, baked beans, infant and junior cereals and soups and dinners, ready-to-serve cereals, peanut butter, roasted and blended and instant coffee in the first quarter of 1960 as compared to the corresponding 1959 quarter. Smaller quantities of chewing gum, salted and roasted peanuts, strawberry jam, pickles, baking powder, prepared cake mixes and blended and packaged tea were produced.

Following are figures of some of the principal food items produced in the first quarter of 1960, with comparable 1959 totals in brackets:

MORE



Biscuits & Confectionery plain and fancy biscuits, 46,870,602 pounds (44,907,384); soda biscuits, 12,398,666 (12,393,250); chewing gum, 4,151,766 boxes (4,167,743); chocolate coatings for sale, 3,778,486 pounds (3,365,425); chocolate bars, 14,274,780 dozen (13,961,834); bulk chocolate confectionery, 4,672,424 pounds (2,704,120); boxed and packaged chocolates, 4,950,214 pounds (4,692,579); sugar confectionery (including toffee), 18,616,314 pounds (17,596,247); and salted and roasted peanuts, 4,383,926 pounds (4,615,609).

Fruit & Vegetable Preparations strawberry jam, 8,662,177 pounds (8,995,833); raspberry jam, 3,465,370 pounds (3,423,928); "other" jams, 6,200,317 (5,683,740); jellies, 1,906,693 pounds (1,850,088); marmalades, 5,636,424 pounds (4,805,784); glacé cherries, 505,221 pounds (484,185); maraschino cherries, 689,341 pounds (752,793); baked beans and beans with pork, 26,535,980 pounds (16,610,286); canned mushrooms, 1,329,506 pounds (560,581); and pickles, 1,198,782 gallons (1,222,279).

Miscellaneous Foods infant and junior cereals, 2,123,156 pounds (2,101,530); infant and junior fruits, puddings and custards, 6,841,609 pounds (3,813,593); infant and junior vegetables, 782,969 pounds (1,391,827); infant and junior soups and dinners, 8,478,390 pounds (7,553,774); spirit vinegar, 1,966,177 gallons (2,040,520); baking powder, 2,640,052 pounds (2,709,022); ready-to-serve cereals, 24,821,094 pounds (23,049,337); dry macaroni, vermicelli and noodles, 26,365,013 pounds (23,925,562); peanut butter, 9,595,469 pounds (8,262,346); jelly powders, 4,792,606 pounds (4,680,940); pudding powders, 4,061,353 pounds (3,744,469); prepared cake mixes, 7,685,118 pounds (10,054,895); salad dressing and mayonnaise, 8,448,326 pounds (7,613,868); blended and packaged tea, 11,356,130 pounds (12,061,452); roasted, blended and packaged coffee, 21,688,961 pounds (20,419,945); and instant coffee, 2,645,877 pounds (1,818,970).

Canned Meat & Meat Products total canned beef, 3,243,187 pounds; canned hams, 3,751,495 pounds; luncheon meat, 7,277,553 pounds; canned poultry, 705,739 pounds; ready-to-serve canned meat, 6,680,178 pounds; and total canned meat, 24,860,312 pounds. Comparable 1959 date are not available for this category. (15)

Consumption Of Mercury Consumption of metallic mercury in Canada in 1959 amounted to 161,987 pounds, while stocks on hand at year's end totalled 190,576 pounds, according to a special statement released by DBS, copies of which are available on request.

Medicinal And Pharmaceutical Preparations Industry In 1958 Factory shipments from plants engaged chiefly in the manufacture of patent and proprietary medicines, pharmaceuticals and similar commodities were valued at a record \$155,006,000 in 1958, some 10.6% greater than 1957's previous peak total of \$140,093,000. Establishments dropped in number to 196 from 207 in 1957 and employees to 7,996 from 8,146, while salaries and wages rose to \$29,847,000 from \$28,656,000 and cost of materials and supplies to \$44,289,000 from \$42,337,000. Total Canadian output of medicinals, pharmaceuticals and biologicals, from all industries, amounted in value to \$139,621,000 in 1958, compared to \$126,297,000 in 1957 and \$110,002,000 in 1956. (16)

Miscellaneous Chemicals Industry Value of factory shipments from Canada's miscellaneous chemical products industry declined 1.2% in 1958 to \$217,508,000 from \$220,155,000 in 1957, according to the Bureau's annual industry report. Number of establishments were unchanged at 267, while employees fell to 12,411 from 12,446 and salaries and wages climbed to \$53,170,000 from \$50,233,000. Cost of materials and supplies declined to \$105,609,000 from \$112,633,000.

Some of the leading products shipped by plants in the miscellaneous chemical products industry in 1958: synthetic rubber, \$67,351,000 (\$65,988,000 in 1957); dry colours and pigments, \$5,904,000 (\$5,445,000); automobile chemicals, \$5,021,000 (\$3,378,000); boiler compounds, \$3,120,000 (\$3,061,000); agricultural dusts and sprays, \$2,776,000 (\$2,985,000); herbicides, \$2,443,000 (\$2,615,000); and book matches, \$2,196,000 (\$1,907,000). (17)

Miscellaneous Leather Products Industries Value of factory shipments from Canada's miscellaneous leather products industries in 1958 was \$28,757,000, up 1.2% from \$28,411,000 in 1957 and down 1.0% from the all-time high of \$29,040,000 reached in 1956. Number of establishments fell to 196 from 212 in 1957, employees to 3,871 from 4,281 and salaries and wages to \$9,630,000 from \$10,081,000. Cost of materials and supplies rose to \$13,422,000 from \$12,806,000. Shipments in 1958 of hand luggage and leather handbags increased both in number and value from 1957, while trunks, custom-built luggage and billfolds and wallets decreased. (18)

Hardwood Flooring Industry Factory shipments from Canada's hardwood flooring industry in 1958 were valued at \$17,736,000, an increase of 14.4% from \$15,509,000 in 1957 and a decrease of 10.5% from the record \$19,818,000 set in 1956. Number of establishments declined to 26 from 27 in the preceding year, while number of employees rose to 1,517 from 1,454, salaries and wages to \$4,476,000 from \$4,062,000 and cost of materials and supplies to \$10,116,000 from \$9,715,000.

Shipments of hardwood flooring rose in value to \$14,225,000 from \$12,322,000 in 1957, and the remainder of the shipments were accounted for by matched and planed lumber, mouldings, and sash, doors and other mill-work. Red oak, birch and maple were the principal kinds of hardwood flooring produced. (19)

## FOOD & AGRICULTURE

Stocks Of Creamery Butter Stocks of creamery butter in nine cities of Canada on June 16 amounted to 55,512,000 pounds, larger by 18.4% than last year's corresponding total of 46,868,000. Holdings by cities (in thousands): Quebec, 6,128 pounds (3,619 a year ago); Montreal, 24,615 (21,454); Toronto, 4,048 (4,778); Winnipeg, 12,612 (12,020); Regina, 2,086 (1,328); Saskatoon, 2,293 (1,138); Edmonton, 2,243 (1,295); Calgary, 389 (389); and Vancouver, 1,098 (847).



Wheat Supplies & Exports Supplies of wheat remaining on or about April 1 this year in the four major wheat exporting countries for export and for carryover at the end of their respective crop years amounted to 2,171.9 million bushels, compared to 2,211.3 million bushels a year ago. May 1 supplies, in millions of bushels, were as follows: United States, 1,373.4 (1,345.2 a year earlier); Canada, 592.0 (632.3); Argentina, 73.0 (107.4); and Australia, 133.5 (126.4).

Total exports of wheat and wheat flour, in terms of wheat, from these four countries in the first nine months (August-April) of the current Canadian crop year totalled 722.0 million bushels, compared to 677.0 million a year earlier. Shipments in the period, in millions of bushels, were: United States, 365.5 (335.4 a year ago); Canada, 210.5 (211.2); Argentina, 53.3 (74.6); and Australia, 92.7 (55.8). (20)

Fluid Milk Sales Sales of fluid milk and cream, in terms of milk equivalent, amounted to 482,023,000 pounds in April, an increase of 5% from a year earlier. January-April sales totalled 1,912,747,000 pounds, a rise of 3% from a year ago.

April sales were greater than a year earlier in all provinces. Totals (percentage gains in brackets) were: Prince Edward Island, 2,259,000 pounds (7%); Nova Scotia, 16,204,000 (6%); New Brunswick, 13,128,000 (1%); Quebec, 146,172,000 (4%); Ontario, 179,319,000 (5%); Manitoba, 26,413,000 (3%); Saskatchewan, 28,407,000 (6%); Alberta, 30,615,000 (2%); and British Columbia, 39,506,000 (4%).

January-April sales were also greater than a year ago in all provinces. Totals (increases in brackets) were: Prince Edward Island, 8,994,000 pounds (7%); Nova Scotia, 63,303,000 (4%); New Brunswick, 52,560,000 (1%); Quebec, 575,428,000 (2%); Ontario, 716,216,000 (4%); Manitoba, 106,168,000 (3%); Saskatchewan, 113,261,000 (6%); Alberta, 121,527,000 (1%); and British Columbia, 155,290,000 (4%). (21)

Shipments Of Prepared Stock & Poultry Feeds Shipments of primary or concentrated feeds in April declined to 33,971 tons from 41,654 in the same month last year, secondary or complete feeds to 199,431 tons from 232,983 and all other animal feeds to 41,761 tons from 46,141. January-April shipments of primary feeds fell to 146,151 tons from 161,111 a year ago and secondary feeds to 807,229 tons from 884,019, while all other animal feeds rose to 181,485 tons from 180,599. (22)

Stocks Of Meat & Lard Stocks of meat at June 1 this year amounted to 96,275,000 pounds, compared to 99,682,000 at May 1 and 147,785,000 at June 1 last year. Cold storage holdings of frozen meat totalled 66,739,000 pounds at the beginning of June versus 69,354,000 a month earlier and 115,400,000 a year ago, fresh meat 20,351,000 pounds versus 21,135,000 and 21,827,000 and cured meat 9,185,000 pounds versus 9,193,000 and 10,558,000.

June 1 stocks of lard aggregated 7,654,000 pounds, compared to 6,531,000 at May 1 and 8,987,000 at June 1 a year ago, while holdings of tallow amounted to 3,789,000 pounds versus 4,527,000 and 4,301,000. (23)

Stocks Of Fruit & Vegetables     Stocks of apples, pears, fruit (frozen and in preservatives), potatoes, onions and celery held in cold or common storage were smaller at June 1 this year than last, while holdings of carrots, cabbage and vegetables (frozen and in brine) were larger. June 1 fruit stocks were: apples, 233,000 bushels (595,000 a year ago); pears, 2,000 bushels (11,000); and fruit (frozen and in preservatives), 29,488,000 pounds (31,858,000).

June 1 holdings of vegetables were: potatoes, 1,387,000 cwt. (2,051,000 at June 1 last year); onions, 78,000 bushels (86,000); carrots, 91,000 bushels (65,000); cabbage, 47,000 bushels (32,000); celery, 16,000 crates (19,000); and vegetables (frozen and in brine), 28,738,000 pounds (20,362,000). (24)

Crop Conditions Across Canada     Seeding has been completed throughout the Prairie Provinces and, with generally adequate moisture supplies, crops are developing well. Hay and pasture crops are making good growth except in dry areas of southwestern and west-central Saskatchewan and parts of southeastern Alberta. Spray control measures for a heavy weed growth, in many districts, are underway and insects, reported in many areas, are being controlled by chemical sprays.

In western Ontario much seeding was completed during the second and third weeks of June and seeding in the southern areas is the most variable on record. Considerable acreage was not seeded in central Ontario but will probably be planted to wheat this Fall. Some second seeding was required on poorly drained soils in the eastern part of the province. Haying is underway in most areas and pasture growth is good to excellent throughout the province.

Recent rains replenished moisture supplies in Quebec, making the principal cereals, potatoes and other horticultural crops look promising. Pastures improved due to the rains and milk production is being maintained at normal levels. Tobacco is doing well. Hay-making has begun, but the quality is being adversely affected by weeds.

In British Columbia the crop picture is spotty due to cool and variable weather during the last two weeks. Grain crops show moderate to good growth and hay-cutting has been hampered by showers. Coastal strawberries are ripening slowly, delaying harvesting, and the early Okanagan cherry crop was lighter than anticipated but later varieties look more promising. Early apples and apricots are sizing well, but the late apple crop estimates have to be lowered due to a heavier than usual June drop. Pasture conditions are fair to good in all areas.

Favourable weather conditions in all the Maritime Provinces has resulted in good to excellent growth of crops. Silage-making is general throughout the region, and strawberry picking has commenced. Most crops in New Brunswick are about ten days earlier than usual. (25)



Railway Carloadings Cars of railway revenue freight loaded on lines in Canada in the first seven days of June numbered 78,065, down from 83,032 in the corresponding week last year. This placed loadings in the January 1 - June 7 period at 1,532,709 cars, a decline of 1.0% from 1,547,801 cars in the same 1959 period.

Receipts from connections declined in the week ending June 7 to 25,987, cars from 27,946 a year earlier and rose in the January 1 - June 7 period to 649,002 cars from 626,263. Piggyback loadings advanced in the week to 3,277 cars from 2,788 and in the cumulative period to 67,637 cars from 52,398. (26)

Shipping In January & February Volume of freight handled at Canadian ports in January rose almost 13% to 4,602,000 tons from 4,077,000 in the same month of 1959. Month's loadings for foreign countries declined to 2,044,000 tons from 2,198,000 and unloadings from foreign countries increased to 659,000 tons from 562,000. Loadings in coastwise shipping climbed steeply to 953,000 tons from 627,000 and unloadings less sharply to 946,000 tons from 690,000.

Freight handled at Canadian ports in February rose 20.3% to 4,481,904 tons from 3,724,474 in the corresponding month last year. Cargoes loaded for foreign countries rose 9.2% to 2,004,753 tons from 1,833,523, while cargoes unloaded from foreign countries rose 39.0% to 714,505 tons from 514,015. In coastwise shipping loadings increased 24.9% to 886,197 tons from 709,394, while unloadings were up 31.3% to 876,449 tons from 667,542. (27)

Passenger Bus Transport Number of passengers carried by intercity and rural bus lines in April decreased to 3,845,125 from 3,946,349 in April 1959, placing the January-April total at 15,141,323, a drop of 4.4% from the comparable year-earlier total of 15,835,369. Revenue in the month increased to \$3,173,702 from \$2,766,383, bringing the four-month total to \$11,419,448, a rise of 2.9% from \$11,096,496 a year ago. Fewer passengers were carried in regular service but more in chartered service both in the month and cumulative period. (28)

Gas Pipe Line Transport Net deliveries of natural gas through Canadian pipe lines in April increased sharply to 23,819,807,000 cubic feet from 19,361,829,000 in the corresponding month last year. This brought net deliveries in the January-April period to 109,654,604,000 cubic feet, greater by slightly more than 25% than the comparable 1959 total of 87,499,620,000 cubic feet. Daily average sendout was 793,994,000 cubic feet in April versus 645,394,000 a year earlier and was 906,236,000 cubic feet in the January-April period against 729,164,000. (29)

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