## DOMIINION BUREAU OF STATISTICS

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THIS ISSUE

HIGHLIGHTSOF

Balance of Payments: There was an enlarged current adcount deficit between Canada and other countries in both the first and second quarters of 1965 as small import balances from commodity trade appeared in contrast to the consistent export balances in the previous year.
(Pages 2-7)

External Trade: Canada's commodity exports (domestic and re-exports) valued at $\$ 790,000,000$ in July and at $\$ 4,809,200,000$ in January-July were higher by $0.3 \%$ in the month and by $1.8 \%$ in the seven months as compared to the corresponding periods of the preceding year.
(Page 7)

National Accounts: In the second quarter of 1965 , Canada's gross national product reached a seasonally adjusted annual rate of $\$ 50.9$ billion, up by nearly $2 \%$ from the preceding quarter. As prices were about $1 \%$ higher, the gain in real terms was somewhat less than $1 \%$ (Pages 7-9)

Merchandising: July and January-July retailers' sales were valued at $\$ 1,864,-$ 017,000 and $\$ 11,997,374,000$, representing increases from the preceding year of $9.4 \%$ and $6.1 \%$, respectively ... Chain store sales were up in value both in July and January-July versus a year ago... Department store sales in the week ended September 11 were greater by $3.6 \%$ versus last year. (Page 9)

Manufacturing Manufacturers' shipments were valued at $\$ 2,793$ million in July as compared to $\$ 2,525$ million in July last year... Output of refined petroleum products was $7.2 \%$ greater in July this year versus last... Steel ingot output aggregated 191,755 tons in the week of September 25, down by 1.6\% from the preceding week.
(Pages 11-13)

Transportation Railway carloadings were up by $3.1 \%$ in the seven days ended September 14 from a year earlier, but were down by $0.7 \%$ in the January 1September 14 period as against last year.
(Page 14)

Fuod \& Agriculture August and JanuaryaAugust milk production was below yearearlierlevels by $0.9 \%$ and $0.8 \%$, respectively... Output of instant skim milk powder was smaller in August by $5.4 \%$ versus a year ago and by $1.9 \%$ in the January-August period.
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1. Quarterly Estimates Of The Canadian Balance of International Payments

There was an enlarged current account deficit between Canada and other countries in both the first and second quarters of 1965 as small import balances from commodity trade appeared in contrast to the consistent export balances in the previous year. Merchandise imports rose substantially in each quarter while exports were only appreciably higher than last year in the first quarter, although maintained at a high total in the second quarter by rises In exports of industrial materials to the United States, generally offsetting drops in whest and flour shipments to Communist countries. And the deficit fiom nonmerchandise transactions was again higher than last year in the second quarter and in the first helf year.

This widening in the current account imbalance accompanied rising levels of economic activity in Canada and the United States in the half year, and the volume of trade between the two countries was at record levels. A new factor affecting some transactions between Canada and the United States was the series of measures announced by the Government of the United States in the first quarter and subsequently, which were designed to reduce imbalance in the United States balance of payments.

Despite disturbing influences in financial markets, capital transactions in the first and second quarters of 1965 on the whole displayed more similarity than dissimilarity. The net inflow in all long-term forms declined and direct investment flows regained a relatively larger role after four quarters in which they were overshadowed by net inflows of portfolio capital, but inflows in short-term forms rose, and official monetary movements in the second quarter were virtually in balance. There was a marked divergence regionally in movements in short-term forms with very large outflows in each quarter to the United States and larger inflows from overseas countries. In 1964, these movements had been in the opposite direction.

Summary Statement

|  | 1963 | 1964 | $\begin{array}{r} 1 \\ I I \end{array}$ | $\frac{964}{\text { III Q IV Q }}$ | $\begin{aligned} & 19 \\ & I Q \end{aligned}$ | $\frac{65}{\text { II } 8}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | millions of dollars |  |  |  |  |  |
| Merchandise trade balance | +503 | $+700$ | +150 | +354 +161 | -41 | -32 |
| Deflcit on non-merchandise transactions | -1,045 | -1,133 | -298 | $-140-322$ | -356 | -328 |
| Current account balance | -542 | -433 | -148 | +214-161 | -397 | $-360$ |
| Capital movements (1) | +688 | +796 | $+216$ | $-58+342$ | +325 | +361 |
| Long-term forms | +637 | +853 (2) | +152 | $+223+493$ | +155 | +93 |
| Short-term forms | +51 | -57 | +64 | -281-151 | $+170$ | +268 |
| Change in official holdings of gold, foreign exchange, and net balance with |  |  |  |  |  |  |
| Internetional Monetary Fund .......... | $+146$ | +363 | $+68$ | $+156+181$ | -72 | +1 |

(1) Excluding change in official exchange holdings.
(2) Including net receipts of $\$ 54 \mathrm{million}$ under the Columbia River Treaty arrangements.

Current Account Transactions In The Second Quarter: The deficit on Canada's international transactions in goods and services more than doubled from $\$ 148$ million in the second quarter of 1964 to $\$ 360 \mathrm{million}$ in the same period of 1965 . This balance was higher than $\$ 209$ million for the second quarter of 1963 but was about the same size as $\$ 370$ million for the corresponding period of 1962 . Approximately $85 \%$ of the widening in the deficit between the second quarters of 1964 and 1965 originated from merchandise trade, with shift from an export balance to an import balance. Imports again rose sharply, by more than $8 \%$, while the total value of exports was virtually unchanged with increased exports to the United States generally offsetting reductions in grain shipments to eastern Europe. At the same time, the
deficit from non-merchandise transactions rose by $10 \%$ to $\$ 328 \mathrm{mflli}$ on, more than reversing the contraction in the first quarter. Following the usual practice, the estimates for 1963 and 1964 have been revised.

Lessened grain shipments to the U.S.S.R. and other Communist countries contributed to a sharp deterioration in the mexchandise trade balance with "other countries". Largely on account of this factor, some $85 \%$ of the $\$ 212 \mathrm{million}$ expansion in the current account deficit arose from Canada's transactions with overseas countries, other than the United Kingdom. With this country, Canada's surplus narrowed a shade to $\$ 148$ million, and the current account deficit with the United States increased roughly $5 \%$ to $\$ 539 \mathrm{million}$.

Merchandise exports, adjusted for balance of payments purposes, stood at $\$ 2,198$ million and $\$ 2,190$ million in the second quartars of 1964 and 1965 , respectively. Adjusted merchandise 1mports rose $\$ 174 \mathrm{milli}$ f from $\$ 2,048$ million to $\$ 2,222 \mathrm{million}$ in the second quarter of 1965.

Deficit On Non-Merchandise Transactions: An increase in all major items contributed to the $\$ 30$ million rise in the deficit on non-merchandise transactions to \$ 328 million in the second quarter of 1965 , exceptions being migrants' funds and some elements of miscellaneous current transactions. Enlarged net payments on travel, freight and shipping services accounted for $90 \%$ of the increase in the deficit on "invisibles".

With payments of interest and dividends expanding half as much again as the increase in receipts, the deficit widened by $\$ 9$ million to $\$ 162 \mathrm{million}$. Dividend outflows rose $\$ 14$ million to $\$ 129$ million, mainly due to larger dividends paid by subsidiaries in Canada to their foreign parents. Interest payments were up $\$ 13 \mathrm{mll-}$ lion to $\$ 107 \mathrm{million}$, following sizable sales of provincial, municipal and corporate bonds in 1964. Official contributions increased from $\$ 16 \mathrm{million}$ to $\$ 21 \mathrm{million} ;$ and gold production available for export at $\$ 34 \mathrm{million}$ was $\$ 7 \mathrm{million}$ lower than $\$ 41$ million, the highest quarterly total in 1964 . An improvement of $\$ 10 \mathrm{milli}$ ion to a surplus of $\$ 8$ million in the second quarter of 1965 for inheritances and migrants' funds was due to enhanced receipts from higher inmigration and larger average immigrants' funds.

Current Account Transactions In The First Six Months: At $\$ 757$ miliion, Canada's current account deficit for the first six months of 1965 stood at $\$ 271$ million or about $55 \%$ over that of $\$ 486 \mathrm{million}$ in the same period of 1964 . Much of this expansion happened in the second quarter when in 1964 the favourable effects of shipments of Russian wheat and flour were still prominent. The outline of the changes between the first halves of 1964 and 1965 is similar to that described between the second quarters of the two years. The widening in the current account iml)alance occurred almost all in merchandise trade, and the major part in Canada's transactions with overseas countries, other than the United Kingdom.

Notwithstanding a decline of more than $\$ 200$ million in shipments of wheat and flour between the first two quarters of 1964 and 1965, adjusted merchandise exports rose about $2 \%$ from $\$ 3,928$ million to $\$ 4,015 \mathrm{million}$. Some other commodities, including barley, tobacco, uranium, railway-rolling stock, aircraft and synthetic rubber and plastic materials registered slightly lower exports. But on the other hand, a gain of over $\$ 70 \mathrm{million}$ took place in exports of passenger cars and motor vehicle parts, with each class sharing the large increase about equally. Shipments of non-ferrous ores and alloys were more than $\$ 60$ million higher. Exports of newsprint were more than $\$ 20$ million greater and of wood pulp over $\$ 15 \mathrm{milifon}$ more. Machinery as group rose nearly $\$ 28$ million. Smaller increases were seen in shipments of fabricated steel materials, fron ores, petroleum and natural gas, chemicals and fertilizer.

Merchandise imports rose roughly $9 \%$ from $\$ 3,743$ million to $\$ 4,088 \mathrm{million}$ in the first half year 1965. This increase was distributed over many commodities fudging from details for the earlier part of the period but with some indicated concentration in machinery and equipment, automobiles and parts, and certain industrial materials.

Deficit On Services \& Other Non-Merchandise Items In The Half Year: A widening of nearly $2 \%$ from $\$ 671 \mathrm{million}$ to $\$ 684$ million occurred in the net pryments of nonmerchandise transactions. Offsetting effects of the changes in the individual items held down this overall deterioration. Travel, official contributions, and interest and dividends contributed moderately to increasing the deficit on noll-merchandise transactions. as did also the $\$ 5$ million decilne to $\$ 69$ mililon in the value of gold production available for export. At $\$ 80 \mathrm{million}$, the deficit for the first half of 1965 in travel transactions with the United States had cilmbed back to the same level as that for the first half of 1962, but Canada's deficit on travel with overseas countries increased $\$ 14$ million between these two periods to $\$ 69 \mathrm{mllilon}$.

Net payments for freight and shipping services rose $\$ 21 \mathrm{million}$ to $\$ 34 \mathrm{million}$ while the deficit of $\$ 10$ miliion on inheritances and migrants funds swang to aurplus of $\$ 10$ million, for the similar reasons suggested in the analysis of the June quarter developments.

At $\$ 332 \mathrm{million}$, the deficit on interest and dividends stood at the highest level and accounted for more than $48 \%$ of total net payments on non-merchandise transactions. This proportion corresponded with the average for the first half of the four recent years. The percentage shares for travel expenditure at neax 1 y $22 \%$, freight and shipping services at $5 \%$ and official contributions at more than $6 \%$ were somewhat higher than the four-year averages for the first two quarters. The proportion of nearly $30 \%$ for miscellaneous current transactions was lower than the average, and the small surplus for inheritances and migrants' funds in the first half of 1965 was in contrast to small deficits in the preceding three years.

Transactions By Areas: Canada's deficit with the United States in the exchange of current goods and services expanded $6 \%$ from $\$ 1,061$ miliion in the first half of 1964 to $\$ 1,126 \mathrm{million}$ in the same period of 1965 . About $40 \%$ of this increase was ascribable to merchandise trade, with exports advancing $\$ 261$ million, or more than $12 \%$, to $\$ 2,341 \mathrm{million}$, and imports rising $\$ 286 \mathrm{million}$, or nearly $11 \%$, to $\$ 2,928$ mil11on.

Increases in the deficits on travel expenditures and on interest and dividends accounted entirely for the $\$ 40$ million addition to the deficit of $\$ 499 \mathrm{million}$ for all non-merchandise transactions for the first half of 1964. The changes to the other component balances were small and offsetting.

At $\$ 244$ million, the current account surplus with the United Kingdom for the first $81 \times$ months of 1965 was just a shade above that for the same period in 1964. The surplus on merchandise trade was reduced $\$ 18 \mathrm{million}$ or about $6 \%$, from $\$ 283$ million to $\$ 265$ million. This resulted from a larger decline in exports from $\$ 589$ milifon to $\$ 563$ million than in imports from $\$ 306$ million to $\$ 298$ million.

The settlement of comon defence costs in early 1964 together with other factors such as lowered payments and higher receipts of interest and dividenda and increased business service receipts combined to cut the deficit on nonmerchandise transactions by $\$ 20$ million to $\$ 21$ miliion.

In transactions with other countries, fairly substantial improvement in Canada's surplus with the Rest of the Sterling Area (due to a rise and fall of about the same relative magnitude, respectively, in merchandise exports and inports) offset in part some deterioration in the balance with other OECD (Europe) countries, and, in particular, the remaining countries. In each of the broad geographical areas, the large shifts in the current account balances originated almost wholly from merchandise transactions. Lowered shipments of wheat and flour to Commint countries accounted for more than $80 \%$ of the contraction in the merchandise trade surplus and well over $90 \%$ of the reduction in merchandise exports to the other countries group.

Canada's current account deffeft with the United States in the first half of 1965, excluding gold production avallable for export which is conventionally attributed to the United States account, totalled $\$ 1,195$ million compared with $\$ 1,135$ million in the corresponding period of 1964. Capital inflows from the United States in long-term forms produced $\$ 367 \mathrm{million}$ and $\$ 307 \mathrm{million}$, respectively, in these periods. Testifying largely to the efficacy of measures in the United States to imm prove its balance of payments position, capital outflows from Canad in short-term forms, aggregating $\$ 339 \mathrm{million}$ in 1965, contrasted with inflows of $\$ 604 \mathrm{milion}$ in the corresponding period of 1964 . The overall result, apart from changes in Canada's official holdings of gold and foreign exchange, left an amount of $\$ 1,167$ million to be financed by other transactions in the first half of 1965. This may be compared with $\$ 224$ miliion in the first half of 1964.

This massive imbalance with the United States in 1965 was settled to the extent of about one-fifth by reductions in Canada's official holdings of foreign exchange in that country, and the remainder involved application of the funds derived on balance from transactions with the rest of the world, including other official holdings of gold and foreign exchange, transactions with the International Monetary Fund, and new gold production avallable for export.

Capital Movements - Summary: There was a decline in the net inflow of capital in long-term forms to $\$ 93$ million in the second quarter, the lowest quarterly capital inflow since the small first quarter outflow of 1964. The inflow was equal to about one-quarter of the current account deficit of $\$ 360 \mathrm{million}$. Transactions in official holdings of gold and foreign exchange and with the International Monetary Fund were largely offsetting with the remainder of the resources serving to finance the current account deficit being provided by net inflow of capital in short-term forms amounting to $\$ 268$ million.

The main capital inflow in longaterm forms continued to arise from the sale to non-residents of Canadian new issues, augmented in the quarter under review by larger than usual inflows for direct investment. The main outflows were for the retirement of outstanding Canadian securities, the repatriation of Canadian equitles and the repayment of banking and other loans.

Capital movements in short-term forms were dominated by inflows from the net reduction of bauk balances and other short-term funds abroad, and overall increase in the short-term indebtedness of Canadian finance companies to foreigners and an increase in Canadian Chartered Banks' foreign currency loans to residents. Nonm residents reduced their holdings of Cunadian dollers reversing the movements of the previous period.

Direct Investment: Net inflows of foreign capital for long-term direct investment in non-resident controlled enterprises rose sharply in the second quarter to an estimated total of $\$ 120 \mathrm{million}$. At this level they were higher than in any earlier quarter since 1962, and were nearly twice the total of $\$ 65$ million for the first quarter. Manufacturing received by far the largest share of the inflow, followed by
petroleum and natural gas and then by mining and financial concerns. The net inflow in the first half of 1965 amounted to $\$ 185$ million, which was $\$ 72 \mathrm{milif}$ ion higher than for the corresponding period of 1964.

Movements of Canadian capital in connection with investment abroad in concerns controlled from Canada were largely offsetting, the sale of some interests overseas and in the United States producing inflows roughly equal to the outflow for new inves tment.

Security Transactions: The foreign capital import of $\$ 51$ miliion resulting from transactions in portfolio securities between Canada and other countries in the second quarter of 1965 marked the fifth and smallest successive quarterly sales balance since the first quarter of last year. Canadian securities drew on balance $\$ 56$ million of non-resident owned capital during the quarter as compared with $\$ 135$ million in the preceding quarter. The proceeds of new issues rose sligh ly to $\$ 301$ million. Net outflows for the repatriation of outstanding Canadian equicies of $\$ 83$ million continued at the same high level as in the first quarter, while a larger net inflow of $\$ 16$ million was recorded from the sale of outstanding Canadian bonds and debentures. Retirements of Canadian securities were unusually high at $\$ 178$ million mainly due to the financial reorganization of a finance company after it:s acquisition by new interests in the United States. Transactions in foreign securities in the second quarter led to a net capital outflow of $\$ 5 \mathrm{million}$, some $\$ 30 \mathrm{mill}$ ion below that of the previous quarter.

Other Capital Flows In Long-Term Forms: There were outflows during the quarter of $\$ 58$ million representing the financing of exports directly or indirectly at risk of the Government of Canada. Programes cover agricultural products, al craft, and a wide range of other capital equipment supplied to developing countries. The corresponding outflow in the first quarter was $\$ 43 \mathrm{million}$, and the total of $\$ 101 \mathrm{mil}$ 1ion in the first half of 1965 may be compared with the total of $\$ 164$ million for the full year 1964.

A11 other capital transactions in long-term forms in the second quarter led to a net outflow of $\$ 20$ million, following an inflow of $\$ 68$ miliion from this group of transactions in the first quarter. For the most part these flows represented bank loans and repayments, although long-term trade credits and other loans, capital movements in connection with insurance operations, and real estate transactions also contributed.

Capital Movements In Short-Term Forms: Capital movements in short-term forms in the second quarter led on balance to an inflow of $\$ 268$ million compared with an inflow of $\$ 170 \mathrm{million}$ in the previous quarter. Among these movements were capital inflows of $\$ 141$ million and $\$ 164 \mathrm{milifon}$, respectively, from changes in Canadian holdings of bank balances and other short-term funds abroad (excluding official reserves). Following the outflow of capital consequent on the build up of these balances by $\$ 675$ million during the last three quarters of 1964, capital returned to Canada as these balances were reduced in the succeeding quarters of 1965. The inflows of capital reflected very much larger inflows from overseas countries and substantial outflows to the United States.

Short-term Canadian finance company paper in the hands of non-residents fell by $\$ 28$ million in the second quarter, bringing the outflow for the half-vear to $\$ 64$ million, and reducing holdings to about $\$ 400 \mathrm{million}$ at mid-year. Part of the second quarter outflow was directly offset by inflows in other forms.

Transactions in other short-term Canadian finance company obligations (which include borrowings from foreign banks and advances from parent companies) resulted in net inflows of $\$ 94 \mathrm{mfl1ion}$ in the second quarter following net inflows of $\$ 25$ million in the preceding quarter. Here again substantial offsets, this time in the form of outflows, are included elsewhere.

Other finance company transactions which are not shown separately are included with capital movements in long-term forms, notably in new issues and retirements of Canadian securities. All in all, the international borrowing of these companies led to net inflows of somewhat under $\$ 20 \mathrm{million}$ in each of the first two quarters of 1965. All other transactions led to a net capital inflow of $\$ 86 \mathrm{~m} 11110 \mathrm{n}$. Important in this inflow were increases in short-term foreign currency banking loans to Canadians.

Official Holdings of Gold \& Foreign Exchange \& Canada's Balance With The IMF: Canada's official holdings of gold and foreign exchange decreased by $\$ 92 \mathrm{mfllion}$ in Canadian funds in the second quarter of 1965, while Canada's net balance with the International Monetary Fund rose by $\$ 93 \mathrm{million}$. In the first quarter of the year, Canada's official holdings of gold and foreign exchange declined by $\$ 118$ million, and the Canadian balance with the International Monetary Fund rose by $\$ 46 \mathrm{million}$.

## EXTERNALTRADE

*2. Comonodity Exports In July Canada's commodity exports (domestic and re-exports) in July this year were valued at $\$ 190,000,000$, up slightly ( $0.3 \%$ ) from last year's July total of $\$ 788,000,000$. This brought the value in the Januaryauly period to $\$ 4,809,200,000$, a rise of $1.8 \%$ from the corresponding 1964 figure of $\$ 4,723,000,000$.

Exports were up in July from a year earlier to the United States and the United Kingdom and down to other Conmonwealth and preferential rate countries and all other countries as a group. Month's totals (in millions) were: United Kingdom, \$121.5 ( $\$ 113.4$ in July 1964); other Commonwealth and preferential rate countries, $\$ 42.0$ ( $\$ 51.8$ ) ; United States, $\$ 440.7$ ( $\$ 382.4$ ); and others, $\$ 185.9(\$ 240.4)$.

January-July sales were above year-earlier levels to the Uniteil States and other Commonwealth and preferential rate countries and below to the United King dom and all other countries. Seven-month totals (in millions): United Kingdom, $\$ 692.7$ ( $\$ 696.7$ a year ago) ; other Commonwalth and preferential rate count ies, \$296.6 ( $\$ 277.1$ ); United States, $\$ 2,799.8(\$ 2,475.3)$; and others, $\$ 1,020.1(\$ 1,273.9)$.

## NATIONAL ACCOUNTS

3. Gross National Product Gross national product in the second quarter of 1965 rose In Second Quarter 1965 to a seasonally adjusted annual rate of $\$ 50.9$ billion, a gain of nearly $2 \%$ from the preceding pertod. Displaying more movement than in the immediately preceding quarter, prices were about $1 \%$ higher, so that somewhat less than half of the quarterly advance represented an increase in real terms. Expectations of a record crop are incorporated in the second quarter estimates and have also resulted in a sizeable revision to the first quarter estimate. (The original estimate of gross national product for the first quarter assumed an average crop. This estimate was based on acreage intentions and tenyear average yields. Gross national product for the first quarter has been revised


Although the increase in the second quarter was slightly less than that in the preceding pertod, for each of the past three quarters the Canadian economy has experienced a sustained growth in final domestic demand with increases which were surpassed in only two other quarters of the current expansion. In the second quarter, all the components of final domestic demand contributed to the advarce in the total, with consumer spending the predominant influence in the quarterly movement in gross national product. Further impetus came from the already large capital programme in plant and equipment and from government outlays for goods and services. At the same time, the rate of accumulation of business inventories, although remaining high, declined, thereby restraining the upward tendency in economic activity rather than reinforcing it, as in the preceding period. Although there was some further widening in the deficit on current international account, the change was less pronounced than in the preceding quarter.

Gross National Expenditure
(Seasonally adjusted at annual rates)

|  | $\frac{101965}{(\mathrm{~m} 1111 \mathrm{ons}}$ | $\frac{20}{\text { dol } 1965}$ | \% Change |
| :---: | :---: | :---: | :---: |
| Consumer expenditure | 30,512 | 31,372 | 2.8 |
| Government expendituer | 9,120 | 9,344 | 2.5 |
| Residential construction | 2,156 | 2,184 | 1.3 |
| Non-residential construction | 3,948 | 4,028 | 2.0 |
| Machinery \& equipment | 3,948 | 4,060 | 2.8 |
| Value of physical change in business inventories | 944 | 676 | (1) |
| Farm inventories \& grain in commercial channels | 264 | 296 | (1) |
| Exports of goods \& services | 10,552 | 10,808 | 2.4 |
| Imports of goods \& services | -11,520 | -11,852 | 2.9 |
| Residual error ............ | 116 | , 32 | (1) |
| Gross National Expenditure | 50,040 | 50,948 | 1.8 |

(1) Per cent changes not meaningful.

With consumer spending rising nearly $3 \%$, the highest rate of growth since the beginning of the current expansion, the major increment to demand in the second quarter came from the personal sector. A substantial advance in outlays for nondurables, following little change in the preceding quarter, is attributable in part to the significant rise in prices in this area. At the same time purchases of durables moved ahead of their high first quarter level and spending on services continued to rise.

The continuing strength in business gross fixed capital formation brought it more then $2 \%$ above the first quarter, with most of the increase accounted for by outlays for plant and equipment. The increase in government outlays for goods and services was also an important expansionary influence; they rose $2.5 \%$, mainly, it appears, as a result of capital outlays at the muricipal level. Federal government expenditure was somewhat lower in tutal, as decreased payments for military equipment more than offset rising nondefence expenditures.

The rising flow of goods from domestic production and imports exceeded the expansion in final demand, with the result that there was a substantial accumulation of business stocks. However, the rate of build-up was below the unusually high level of the first quarter. The pattern of shifts in business inventories in recent quarters has been influenced to some extent by the sequence of events in the strike-affected automotive industry.

The deficit on current international account widened in the second quarter. Exports of goods rose somewhat more than inports but there was a larger gap between receipts from, and payments for, services.

Turning to the income side, labour income continued to rise but not at the unusually high rate of the first quarter, while corporation profits were virtually unchanged at a high level. Personal incomes fell over $1 \%$, despite the advance in national income; most of this divergence is accounted for by sharply reduced payments to the farmers by the Canadian Wheat Board which had been at an all-time high in the preceding quarter.

## MERCHANDISING

4. Retail Trade Retailers' sales valued at $\$ 1,864,017,000$ in July were up by 9.4\% from last year's July total of $\$ 1,703,498,000$. This followed gains of $2.2 \%$ in the first quarter, $10.7 \%$ in April, $5.7 \%$ in May and $9.2 \%$ in June, with the result that sales in the January-July period climbed $6.1 \%$ to $\$ 11$, , $997,374,000$ from $\$ 11,303,636,000$ in the $s$ ame period of last year.

All provinces posted greater sales in July and the January-July period this year versus last. Month's percentage gains (seven-month increases bracketed) were: Atlantic Provinces, $10.1 \%$ ( $5.8 \%$ ), Quebec, $8.0 \%$ ( $5.8 \%$ ); Ontario, $10.3 \%$ ( $7.1 \%$ ); Manitoba, 3.7\% (2.5\%) ; Saskatchewan, $13.8 \%$ ( $4.6 \%$ ); Alberta, $7.6 \%$ ( $3.7 \%$ ) ; and British Columb 1a, $10.7 \%$ ( $8.3 \%$ ).

All of the 18 speciffed trades posted increased sales in July versus a year earlier and all but lumber and building material in the seven-month period. Month's advances ranged from $1.6 \%$ for fuel to $18.9 \%$ for variety stores while seven month gains varied from 3.7\% to $13.7 \%$.
5. Chain Store Sales \& Stocks Chain store sales in July estimated at $\$ 417,685$, , 000 were up by $15.2 \%$ from those in July last year that were valued at $\$ 362,603,000$. Values were higher than a year earlier in all preceding months except January, and sales in the January-July period climbed $9.1 \%$ to $\$ 2,509,254,000$ from $\$ 2,300,659,000$ in the corresponding period of 1964. Begin-ning-of-July stocks (at cost) amounted to $\$ 494,755,000$, a rise of $5.0 \%$ from the comparable year-earlier total of $\$ 471,131,000$.

Grocery and combination store chains had sales in July estimated at $\$ 188,546$, 000 , up by $15.9 \%$ from $\$ 162,700,000$ in July last year, placing the January-July total at $\$ 1,196,231,000$ versus $\$ 1,104,307,000$ a year ago, an increase of $8.3 \%$. Each of the 10 remaining specified chains posted higher sales in July as compared to year earlier, with advances ranging from $3.0 \%$ for women's clothing to $20.3 \%$ for variety stores. Other major gains in the month were: $16.5 \%$ for family cloth1ng; $15.9 \%$ for hardware; and $11.1 \%$ for drugs.
6. Department Store Sales Sales by Canada's department stores were valued $8.6 \%$ higher in the week of September 11 this year as compared to last. All provinces contributed to the national rise with gains as follows: Atlantic Provinces, $11.0 \%$; Quebec, $12.0 \%$; Ontario, $9.2 \%$; Manitoba, $3.8 \%$; Saskatchewan, 5.5\%; Alberta, 7.3\%; and British Columb1a, 6.7\%.
*7. Natural Gas Sales Sales of natural gas increased 9.5\% in volume in July to $28,728,000,000$ cubic feet from $26,235,000,000$ in the same month of 1964 and $9.1 \%$ in revenue to $\$ 15,639,000$ from $\$ 14,329,000$, according to an advance release of data that will be contained in the July issue of the DBS report "Sales of Manufactured and Natural Gas". Residential sales advanced in volume in the month to $4,206,000,000$ cubic feet from $3,743,000,000$ a year earlier, accounting for $14.6 \%$ of this year's July total sales, and in revenue to $\$ 5,701,000$ from $\$ 5$, 370,000 , accounting for $36.5 \%$ of this year's total.
8. Farm Implement \& Equipment Sales at $\$ 151,699,000$ in the first six months repair parts) were valued at wholesale half total of $\$ 142,647,000$. Half-year sales of repair parts decreased $3.1 \%$ to $\$ 25,-$ 770,000 from $\$ 26,598,000$ a year ago.

Dealers' sales to users in the first six months of this year included the folm lowing implements: wheel-type tractors for farm use, 13,793 units (13,714 in the first half of 1964); crawler-type (under $35 \mathrm{h.p}$. ) tractors for farm use, 54 (72); pull-type combines, 48 (44); self-propelled combines, 481 (373); automatlc hay balers, 1,424 ( 1,657 ); and swathers and windrowers, 396 (197).
9. Gasoline Sales In 1964 Gross sales of gasoline in 1964 amounted to 4,250, 059,000 gallons, an increase of $6.1 \%$ from the 1963 total of $4,005,424,000$ gallons. Sales were higher in 1964 as compared to the preceding year in all provinces and territories. Year's sales were: Newfoundland, 51,206,000 gallons (46,159,000 in 1963); Prince Edward Island, 20,754,000 (19,687, $000)$; Nova Scotia, $129,978,000(122,356,000)$; New Brunswick, $99,371,000(92,486,-$ 000) ; Quebec, $938,823,000(899,756,000)$; Ontar10, $1,594,284,000(1,477,127,000)$; Manitoba, 225,784,000 (222,604,000); Saskatchewan, 318,863,000 (314,940,000); Alberta, $439,544,000(422,082,000)$; British Columbia, 422, $975,000(380,462,000)$; and the Yukon and Northwest Territories, 8,478,000 (7,764,000).

## FISHERIES

*10. Advance Release Of Fish Landings * August 1965 - Newfoundland

| Major Species | Quantity | Value |
| :---: | :---: | :---: |
| Groundfish - | ${ }^{1} 000 \mathrm{lb}$. | \$'000 |
| Cod | 55,404 | 2,240 |
| Lingcod........... | - | - |
| Haddock | 26 | 1 |
| Pollock | 31 | -- |
| Hake | 17 | -- |
| Redfish | 8,228 | 196 |
| Halibut | 37 | 6 |
| Flounders \& soles | 12,755 | 358 |
| Other unspectified | 258 | 8 |
| TOTAL | 76,756 | 2,809 |
| Pelagic \& Estuartal - |  |  |
| Herring | 204 | 5 |
| Mackerel | 33 | 2 |
| Salmon | 264 | 85 |
| Swordfish | - | - |
| Other unspecified | 685 | 49 |
| TOTAL | 1,186 | 141 |
| Molluscs \& Crustaceans |  |  |
| Crabs | - | - |
| Lobster | - | - |
| Oysters | - | - |
| Scallops | 10 | 4 |
| Other unspecified | 5,512 | 83 |
| TOTAL | 5,522 | 87 |
| TOTAL - ALL SPECIES | 83,464 | 3,037 |

*11. Manufacturers' Shipments, Inventories And Orders
The July issue of the DBS report "Inventories, Shipments and Orders in Manufacturing Industries" will contain revisions in the monthly estimates of manufacturers' shipments, inventories and orders. Major revisions in the 1961 Census have altered benchmarks which in turn have altered monthly estimates which utilized such benchmarks. The data for 1962 which were formerly estimates are now the Census values for that year.

The estimates for 1963 are now largely based on the 1962 Census values and are made by relating the trend in the shipments and inventories for the group of reporting firms between the base year and the current year to the base year values. In those industries where 1963 Census values were available and the trend shown by the reporting firms did not give a good estimate of shipments or inventories as compared with Census values the 1963 Census values were used and the 1964 and 1965 monthly values were adjusted to the, in effect, new base. If 11 the 1963 data had been available the Census revision would have been carried through to this year. Since the 1963 material was not avallable for 11 industries the adjustments had to be made individually and were done therefore only for those where the estimates appeared inadequate.

In addition to these changes the published series may have changed for any of the following reasons: -- the revision of the series to the 1962 final Census values and the use of these values as the basis of the subsequent month's estimates; a change in the base value will raise or lower the level of the series; -- the revision in the monthly group of reporting firms used, either because of business births and deaths or because of changes in company's method of reporting; - and finally, and this applies especially to the months in 1964 and 1965, the incorporation of reported values for estimates used where returns were more than two months late.

CANADA - ALL MANUFACTURES

p - Preliminary.
*12. Refined Petroleum Products. Output of refined petroleum products rose $7.2 \%$ in July to $30,765,251$ barrels from $28,708,713$ in the same month last year, according to an advance release of data that will be contained in the July issue of the DBS report "Refined Petroleum Products".

Receipts of crude ofl advanced $3.2 \%$ in July to $30,058,432$ barrels from 29,117, 065 a year earlier, comprising $5.8 \%$ more domestic crude at $17,770,146$ barrels versus $16,800,968$ and $0.2 \%$ less imported crude at $12,288,286$ barrels versus $12,316,097$. Domestic disappearance of finished petroleum products rose $10.1 \%$ to $31,614,191 \mathrm{bar}-$ rels from $28,717,813$ in the same month last year.

REFINERY PRODUCTION In Canada Of Selected Petroleum Products, July 1965

|  | Motor | Kerosene | Fuel Oil |  |  | Total all products |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | gasoline | stove oil | Diesel | Light | Heavy |  |
|  |  |  | s of 35 | adian gal |  |  |
| New foundland | (1) | (1) | - | (1) | (1) | (1) |
| Maritimes . | 878,862 | 245,900 | (2) | 758,724 | 690,103 | 3,292,477 |
| Quebec... | 3,087,808 | 298,148 | 984,919 | 1,795,810 | 1,684,357 | 9,045,649 |
| Ontario | 3,786,275 | 523,931 | 940,981 | 1,482,164 | 1,727,676 | 10,198,584 |
| Manitoba | 474,165 | 64,849 | 154,552 | 105,484 | 60,255 | 1,073,610 |
| Saskatchewan | 846,182 | 136,636 | 404,890 | 199,980 | 113,208 | 1,992,006 |
| Alberta | 1,339,595 | 26,612 | 651,786 | 215,627 | 87,243 | 2,922,527 |
| N.W.T. and Yukon .. | 19,701 | - | 8,672 | 25,214 | 22,665 | 79,018 |
| B. C. | 774,515 | 128,209 | 494,745 | 45,472 | 197,177 | 2,140,692 |
| CANADA TOTAL | 11,207,103 | 1,424,285 | 3,640,545 | 4,628,475 | 4,582,684 | 30,744,563 |

(1) Included with the Maritimes. (2) Included with Quebec.

NET SALES In Canada of Selected Petroleum Products, July 1965

|  | Motor gasoline | Kerosene <br> stove oil | Fuel 0il |  |  | Total all products |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Diesel | Light | Heavy |  |
| barrels of 35 Canadian gallons |  |  |  |  |  |  |
| Newfound land | 161,322 | 38,617 | 142,072 | 69,445 | 116,898 | 626,596 |
| Maritimes. | 826,069 | 68,472 | 248,166 | 101,785 | 717,553 | 2,253,695 |
| Quebec | 2,973,502 | 67,599 | 707,359 | 400,634 | 2,971,903 | 8,787,393 |
| Ontario | 4,666,609 | 48,820 | 617,765 | 633,408 | 1,719,999 | 9,585,429 |
| Manitoba | 659,222 | 11,308 | 247,299 | - 5,827 | 59,078 | 1,181,295 |
| Saskatchewan | 923,275 | 14,130 | 418,769 | 24,485 | 17,812 | 1,614,679 |
| Alberta | 1,215,446 | 15,431 | 439,584 | 30,564 | 60,025 | 2,356,713 |
| N.W.T. and Yukon .... | 28,909 | 11,284 | 67,096 | 31,818 | 46,117 | 209,845 |
| B.C. .... | 1,234,357 | 44,542 | 507,462 | 75,454 | 809,197 | 3,048,246 |
| CANADA TOTAL | 12,688,711 | 320,203 | 3,395,572 | 1,361,766 | $6,518,582$ | 29,663,891 |

IMPORTS Into Canada of Selected Petroleum Products, July 1965

|  | Motor | Kerosene |  | Fuel 0 il |  | Total all |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | gasoline | stove oil | Diesel | Light | Heavy | products |
|  |  |  | s of 35 | adian gal |  |  |
| Maritimes | - | 78,387 | 54,896 | 166,384 | 277,124 | 774,731 |
| Quebec | 295,123 | 129,642 | 603,312 | 676,861 | 1,926,996 | 4,400,195 |
| Ontario | 48,584 | - | - - | 181,040 | 566,400 | 1,030,335 |
| All other | 13,262 | 11,313 | 1,086 | 14,122 | 516,136 | 604,862 |
| CANADA TOTAL | 356,969 | 219,342 | 659,294 | 1,038,407 | 3,286,656 | 6,810,123 |

Production of steel ingots in the week ended September 25 totalled 191,755 tons, a decrease of total of 194,928 tons. Output in the corresponding $1.6 \%$ from the preceding week's total of 194,928 tons. Output in the corresponding
1964 period was 180,559 tons. The index of production, based on the average weekly output during 1957-59 of 96,108 tons equalling 100 , was 200 in the current week versus 202 a week earlier and 188 a year ago.
14. Iron Castings Shipments of iron castings, pipe and fittings rose in July to 56,517 tons from 55,049 in the corresponding month of last year and in the first seven months of the current year to 396,227 tons irom 376,994 tons in the comparative period of the previous year. Month's shipments of welded and seamlesa mechanical and pressure steel tubing amounted to 68,426 toris from $74,-$ 661 last year and in the first seven months of the year to 462,787 tons from 453,800 .

## 15. Stee1 Wire \& Specified Wire Products

Shipments of uncoated, plain, round steel wire increased in July last to 12,787 tons from 11,911 tons in the corresponding month of the previous year; welded or woven steel wire mesh for concrete reinforcement or purposes other than fencing to 7,568 tons from 7,312 ; steel wire rope 2,697 tons $(2,553)$; and iron and steel wire nails 9,301 tons $(9,445)$. For the January July cumulative period shipments of uncoated, plain, round steel wire stood at 95,671 tons $(84,442$ tons in the corresponding period of the previous year); welded or woven steel wire mesh for concrete reinforcement or purposes other than fencing, 41,652 tons $(40,485)$; steel wire rope, 18,554 tons ( 16,537 ) ; and iron and steel wire nails, 60,293 tons (57,512).
16. Rubber Consumption

Consumption of all types of rubber amounted to $22,088,000$ pounds in July compared with 22,983,000 pounds in the same month of the previous year and in the January-July period totalled 196,144,000 pounds compared with $195,245,000$ pounds in the same period of the previous year. July consumption by types was: natural, $5,620,000$ pounds ( $6,477,000$ in comparative month of the previous year); synthetic, $13,934,000(13,767,000)$; and reclalmed, 2, $534,000(2,739,000)$. January-July totals: natural, $52,919,000$ pounds $(52,070,000$ a year ago); synthetic, $119,136,000(117,331,000)$; and reclaimed, $24,089,000(25,-$ 844,000).
*17. Veneers \& Plywoods Shipments of veneers increased 31\% in July to 123,886,000 square feet from 94,767,000 year earlier and $20 \%$ in the January July period to $918,931,000$ square feet from $765,709,000$ a year ago, according to an advance release of data that will be contained in the July issue of the DBS report "Peeler Logs, Veneers and Plywoods". Endmof-July stocks were $23 \%$ greater than year ago at $115,438,000$ square feet versus $93,575,000$.

July shipments of plywoods fell $8 \%$ to $182,555,000$ square feet from 198,207,000 a year earlier, while January-July shipments dropped $25 \%$ to $1,119,937,000$ square feet from 1,498,490,000 a year ago. End-of-July stocks at $144,425,000$ square feet were $8 \%$ larger than the year-earlier total of $133,709,000$.
18. Specified Chemicals

Production of chemicals in July included the following: hydrochloric acid, 5,626,284 pounds (5,111,526 in the same month of the previous year) ; sulphuric acid, 167,140 tons ( 142,422 ); chlorine, 46,985 tons ( 42,792 ); and mixed fertilizers, 16,657 tons $(36,121)$. Shipments of synthetic resins (actually made as such) included: polyethylene type, 12, 498, 380 pounds $(15,031,601)$; polystyrene type, $5,715,470$ pounds $(4,349,527)$; and vinyl chloride type, $4,391,810$ pounds ( $5,445,390$ ).
19. Products Made From

Producers' sales of products made from Canadian clays increased $6.0 \%$ in July to $\$ 4,149,600$ from $\$ 3,915,700$ in July last year and $1.5 \%$ in the January-July period to $\$ 21,398,600$ from $\$ 21,078,500$ a year ago. Sales of building brick were up in the month at $\$ 2$, 757,100 versus $\$ 2,538,600$ a year earlier and also in the seven months at $\$ 13,449,300$ versus $\$ 12,000,900$ a year ago.
20. Soaps \& Synthetic Detergents
the July 1964 total of $\$ 7,701,200$.
Factory shipments of soaps and synthetic detergents valued at $\$ 8,754,000$ in July were up by $13.7 \%$ from at $\$ 61,063,000$, greater by $6.1 \%$ than the corresponding 1964 figure of $\$ 57,561,100$.

TRANSPORTATION
21. Rallway Carloadings

Cars of revenue freight loaded on rail lines in Canada in the seven days ended September 14 numbered 86,521 , a rise of $3.1 \%$ from a year earlier. This placed the total in the January l-September 14 period at $2,718,122$ cars, down by $0.7 \%$ from the preceding year but up by $9.9 \%$ from the corresponding period in 1963. Receipts from both Canadian and United States rail connections rose by $4.6 \%$ in the seven days from a year earlifer to 21,459 cars, and by $1.1 \%$ in the cumalative period to 876,133 cars.

Commodities loaded on more cars in the seven days ended September 14 included: grain, other than wheat, 3,852 cars ( 2,845 a year ago) ; aluminum ore and concentrates, 906 (401); fert111zers, 1,717 ( 1,223 ); scrap and waste metals, 896 (531); and miscellaneous carload commodities, 10,385 (9,998). Loadings of logs, posts, poles and piling decreased in the period to 1,142 cars from 1,601 , and automobiles, trucks and parts to 798 cars from $1,149$.
$F O 0$ D $\& \quad$ AGRICULTURE
22. M1Ik Production

Milk production in August was estimated at $1,884,000,000$ pounds, down by $0.9 \%$ from a year earlier, placing the Jan-uary-August estimate at $12,711,000,000$ pounds, down by $0.8 \%$ from the preceding year. Revised data place output in July at $2,047,832,000$ pounds versus $2,032,043,000$ a year earlier and in January-July at $10,827,084,000$ pounds versus $10,908,304,000$ in the first eight months of last year.
*23. Instant Skim Milk Powder
Production of instant skim milk powder, packed in consumer-size containers of 24 pounds or less, declined $5.4 \%$ in August to $2,258,141$ pounds from 2,387,915 in August last year and 1. $9 \%$ in January $A$ August to $22,227,547$ pounds from $22,652,125$ a year ago. Stocks on hand at August 31 were down $26.6 \%$ from the preceding year at 3,627,621 pounds versus 4,941,698. Amount packed in containers of five pounds or less declined in the month to $1,654,071$ pounds from $1,750,135$ year earlier and also in the eight months to $16,593,922$ pounds from $17,219,154$ a year ago. End-of-August stocks in containers of five pounds or less were smaller than year earller at $2,798,846$ pounds versus 3,969,594.
24. Commercial Production of Fruit Commercial production of fruit in 1965, according to the second DBS estimate, was as follows (in thousands): apples, 21,659 bushels ( 20,026 in 1964); pears, 1,025 bushels ( 1,998 ); plums and prunes, 449 bushels (671); peaches, 1,801 bushe1s (2,862); ap 1cots, 10 bushels (387); sweet cherries, 233 bushels (559); sour cherries, 448 bushels (604); strawberries, 16,855 quarts ( 27,120 ) ; raspberries, 11,155 quarts ( 13,075 ); loganberries, 1,101 pounds ( 1,078 ) ; and grapes, 125,868 pounds $(119,595)$.

## $\therefore 25$. Pack of Fruft and Vegetables

Comercial pack of canned fruit, as reported up to the end of August, incluiled the following: apricots, 188,622 cases; sweet cherries, 75,834 cases; sour cherrie:s, 348,369 ; peaches, 354,072 ; raspberries, 139,973 ; and strawberries, 79,118 . Pack of frozen sweet cherries in this period amounted to 139,307 pounds; and sour cherries, $9,555,-$ 227 pounds.

Pack of canned vegetables, as reported up to the end of August, included the following: asparagus, 421,020 cases; green beans, $1,015,777$; wax beans, 1,375,149; beets, 287,456 ; corn (al1 types), $1,009,361$; peas, $5,310,806$; tomatues, 662,847 ; and tomato juice, 2,162,275. Pack of frozen asparagus amounted to 589,982 pounds; green beans, $9,182,499$; wax beans, $1,566,811$; corn, $1,971,601$; and peas, $52,825,069$.
*26. Consumption Of Barley
Malt \& Hops In August
Canada's breweries consumed 40,331,931 pounds of barley malt in August this year as compared to 38, 275,342 in the same month of 1964. At the same time, consumption of hops by breweries increased to 259,469 pounds from 252,455 a year ago.

## DELINQUENCY

*27. Juvenile Delinquents 1963
There were 15,591 children under 16 years of age adjudged delinquent by the courts in 1963 for breaches of the Criminal Code, Federal and Provincial Statutes and Municipal Bylaws, compared with 14,519 the previous year. This represented a $7.4 \%$ increase which followed an $8.7 \%$ increase the previous year but allowances must be made for improved coverage and population growth.

Of the 15,591 children found delinquent, 14,087 appeared once in the current year and were found delinquent, 1,178 appeared twice and were found delinquent, and 326 appeared and were found delinquent three or more times. Total appearances resulting in a delinquency numbered 17,556 , an increase of $5.7 \%$ over the previous year. Of the total delinquent children, 12,770 or $81 \%$ had no delinquent appearances before the court in previous years and 2,821 or $19 \%$ had one or more delinquent appearances in previous years. Total court appearances rose $6.3 \%$ between 1962 and 1963.

Boys placed on probation decreased from 8, 242 in 1962 to 7,852 in 1963. Girls placed on probation also decreased from 954 in 1962 to 902 in 1963.

Some of the delinquents under the Criminal Code included 5, 375 (5, 472 in 1962) thefts; 1,079 (905) auto thefts; 47 (136) robberies; $3,817(3,427)$ breaking and entering; and 348 (670) disorderly conduct.

The police brought $83.7 \%$ of the cases before the courts, parents or relatives $3.2 \%$, and the remaining $13.1 \%$ were brought by probation officers, schools, social agencles and other sources.

Final dispositions resulting from the 19,886 appearances showed 776 cases or $3.9 \%$ were dismissed; 1,554 or $7.8 \%$ were adjourned sine die; and 17,556 or $88.3 \%$ resulted in a finding of delinquency.

Of the 17,556 delinquencies, $47.2 \%$ were released on probation to the courts and $2.6 \%$ to parents, $14.0 \%$ were fined, $11.6 \%$ were sent to training schools, $23.7 \%$ were reprimanded or had the final disposition suspended, $0.6 \%$ were datained and $0.3 \%$ were sent to mental hospitals.

## *28\&29. Industry Selling Price Indexes

In 21 manufacturing industries, industry selling price indexes ( $1956=100$ ) were higher in August than in July, 8 less than the 29 increases recorded in the JuneJuly period, according to an advance release of data that will be colltained in the August issue of the DBS report "Prices and Price Indexes". The industry indexes which deciined in August numbered 17, compared to 15 a month earlier. Of the 102 industries, 64 were unchanged in August, 6 more than in July when 58 remained the same. The average level of the 102 industry indexes moved up to 109.3 in August from the July average of 109.1. The median was 109.3, unchanged from July.

General Wholesale Index Canada's wholesale index (1935-39=100) eased 0.2\% in August to 251.2 from the July index of 251.8 , but was $2.6 \%$ above the August 1964 index of 244.9 . Three of the eight major group indexes were lower in August, two were higher, while the remaining three were unchanged.

The vegetable products group index moved down $1.8 \%$ to 215.1 in August from the July index of 219.1, mainly on sharply lower prices for potatoes, and lesser price decreases for sugar and its products, onions, canned vegetables, and vegetable ofls. Decreases of $0.1 \%$ occurred in the textile products group index to 246.0 from 246.2 , and the non-ferrous metals products group index to 219.1 from 219.4.

The animal products group index rose $0.8 \%$ to 278.4 from 276.3 , on higher prices for cured meats, eggs, unmanufactured leather, fishery products, and hides and skins. The iron products group index edged upward $0.1 \%$ to 267.0 from 266.7.

The following major group indexes were unchanged in August: wood products at 333.0; non-metalilc minerals products at 191.2; and chemical products at 202.6 .
$\div 30$.

## Weekly Security Price Indexes

Number of
Stocks Priced September 23 September 16 August 26

| Total Index ....... | 112 |
| :---: | :---: |
| Industrials | 78 |
| Utilities | 20 |
| Finance (1) | 14 |
| Banks | 6 |
| Mining Stocks Price Index |  |
| Total Index . | 24 |
| Golds | 16 |
| Base metals | 8 |
| Supplementary Indexes |  |
| Urantums | 6 |
| Primary oils and gas | 6 |


| 176.0 | 176.9 | 172.1 |
| ---: | ---: | ---: |
| 181.2 | 182.3 | 176.8 |
| 175.0 | 176.1 | 171.0 |
| 151.7 | 151.3 | 150.1 |
| 140.9 | 141.2 | 139.1 |
|  |  |  |
| 108.4 | 109.7 | 110.6 |
| 131.4 | 129.9 | 137.2 |
| 95.8 | 98.7 | 96.0 |
| 137.3 |  | 143.6 |

(1) Composed of Banks and Investment and Loan.

BUSINESS
31. Commercial Failures Business failures recorded under the provisions of the Bankruptcy and Winding Up Acts numbered 827 in this year's second quarter as compared to 828 in the second quarter of 1964. Liabilities of bankrupt firms were estimated at $\$ 51,121,000$ in 1965's second quarter as against $\$ 50,879,000$ in the same quarter of last year. Insolvencies in Quebec numm bered 428 this year to lead the economic regions, while trade fallures at 332 headed the industrial sector.

32．Electric Power Statistics
Net generation of electric energy increased $1: 9 \%$ in July to $10,830,388,000$ kilowatt hours from 10,631 ，－ 708,000 in July last year．Inports of electrical energy increased in the month to $374,230,000 \mathrm{kwh}$ ．from $279,464,000 \mathrm{kwh}$ ．a year ago and exports decreased to 279，779，－ 000 kwh．from $337,604,000$ kwh．
＊33．Gas Utilities Field gathering systems and processing plants delivered 69，959， 039,000 cubic feet of natural gas to gas utilities in July this year，with transport systems accounting for $58,182,129,000$ cubic feet and distribu－ tion systmes for $11,776,910,000$ cubic feet，according to an advance release of data that will be contained nn the July issue of the DBS report＂Gas Utilitles＂．Natural gas received from storage amounted to $48,165,000$ cubic feet．The total supply of gas utilities was $71,403,488,000$ cubic feet，up by $11.7 \%$ from July 196i．

## MINING

34．Coal Output \＆Imports Production of coal in August amounted to 580，691 tons compared with 585,473 tons in the same month of the previous year and in the January－August period to $7,238,612$ tons from $6,885,478$ tons in the comparative period of the previous year．Landed imports in the month amounted to $2,072,195$ tons compared with $1,940,233$ tons and in the cumalative period to $9,134,017$ tons versus $8,441,655$ tons．

P ULPWOOD
＊35．Pulpwood \＆Wood Residue Production of pulpwood decreased $4 \%$ in July to 1 ，－ 437,419 cunits（cunit＝100 cubic feet of solid wood） from 1，499，162 in July last year，while consumption increased $4 \%$ to $1,136,434$ cunits Erom 1，093，486，according to an advance release of data that will be contained in the July issue of the ．DBS report＂Pulpwood And Wood Residue Statistics＂．Inventory at the end of July aggregated $10,218,149$ cunits，up by $1 \%$ from the corresponding year－earlier total of $10,144,137$ ．Wood residue receipts climbed signiflcantly（ $35 \%$ ） in the month to 367,251 cunits from 271,594 a year ago．

RELEASED THIS ISSUE Friday，October 1， 1965
（Catalogue numbers and prices are shown following the titles．Started items are releases for which no corresponding publications were issued this week）．

1．Quarterly Estimate of the Canadian Balance of International Payments，2nd
Quarter 1965，（67－001），50申／\＄2．00
＊2．Commodity Exports in July， 1965
3．National Accounts：Income \＆Expenditure，2nd Quarter 1965，（ $13-001$ ），50申／$\$ 2.00$
4．Retail Trade，July 1965，（63－005），20申／\＄2．00
5．Chain Store Sales \＆Stocks，July 1965，（63－001），10申／\＄1．00
6．Department Store Sales，September 11，1965，（63－003），\＄2．00 a year
＊7．Sales of Manufactured \＆Natural Gas，July 1965
8．Farm Implement \＆Equipment Sales，lst \＆2nd Quarters 1965，（63－009）25申／\＄1．00
9．The Motor Vehicle：Pt II，Motive Fuel Sales，1964，（53－218），504
＊10．Fish Landings：Newfoundland，August 1965
＊11．Manufacturers＇Shipments，Inventories and Orders，July 1965
＊12．Refined Petroleum Products，July 1965

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RELEASED THIS ISSUR (Con'd.) Friday, October 2, 1965 Page 18
*13. Steel Ingot Production, September 25, 1965
    14. Iron Castings and Cast Iron Pipes and Fittings, July 1965, (41-004), 10申/$1.00
    15. Stee1 W1re & Specified Wire Products, July 1965, (41-006), 10d/$1.00
    16. Sonsumption, Production है Inventories of Rubber, July 1965, (33-003),
                            20申/$2.00
*17. Veneers & Plywoods, July 1965
    18. Specified Chemicals, July 1965, (46-002), 10申/$1.00
    19. Products Made From Canadian Clays, July 1965, (44m005), 10ф/$1.00
    20. Soaps & Synthetic Detergents, July 1965, (46-003), 10ф/$1.00
    21. Ral1way Carloadings, September 14, 1965, (52-001), 10申/$3.00
    22. The Dairy Review, August 1965, (23-001), 20申/$2.00
    *23. Instant Skim Milk Powder, August 1965
    24. Second Estimate of the Gommercial Production of All Fruits, 1965, (22-003),
                                    $1.00 for series
*25. Pack of Pruit and Vegetables, August, 1965
*26. Consumption By Breweries of Barley Malt & Hops, August 1965
*27. Juvenile Delinquents, 1963
*28. Industry Selling Price Indexes, August 1965
*29. General Wholesale Index, August }196
*30. Weekly Security Price Indexes, September 23, }196
    31. Commercial Fallures Under the Provisions of the Bankruptcy & Winding Up Acts,
                                2nd Quarter 1965,(61-002), 25$/$1.00
    32. Electric Power Statistics, July 1965, (57-001), 10申/$1.00
*33. Gas Utilities, July 1965
    34. Preliminary Report on Cosl Production, August 1965, (26-002), 10k/$1.00
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