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### HIGHLIGHTS OF THIS ISSUE

Prices: The consumer price index for Canada rose 0.4% to 144.9 at the beginning of August from 144.3 in July. The August index was 3.9% above the level for August 1965 which stood at 139.4. Between July and August this year the consumer price indexes advanced in all ten regional cities, with increases ranging from 0.3% in Montreal to 0.7% in Edmonton-Calgary. (Pages 2 & 3)

Industrial Production: The June seasonally adjusted index of industrial production fell 0.3% to 273.1 from the revised May level of 273.8. (Page 5)

External Trade: Commodity imports in July are estimated at \$737,800,000, a small increase of 0.7% over last year's corresponding total of \$732,300,000. Exports for the month were worth \$855,400,000, up 8.3% from \$790,000,000. (Page 6)

Labour: Paid workers in Canada received an estimated \$2,249 million in April in the form of salaries and wages, an increase of 2.1% over the preceding month's \$2,203 million and a rise of 12.9% over last year's corresponding total of \$1,992 million. (Page 7)

Electric Energy: Net generation of electric energy in Canada increased 9.1% to 11,824,226 thousand Kwh in July from 10,830,559 thousand in July last year. (Page 8)

Merchandising: Sales of Canadian retailers in June amounted to an estimated \$1,962,391,000, an increase of 6.1% over a year earlier, bringing the total for the first half of this year to \$10,814,763,000, up 6.9% ... Department store sales during the week ending August 27 were valued 3.6% higher than in the corresponding week last year ... Chain store sales in June were valued at \$436,968,000, larger by 13.9% than last year's \$383,493,000. (Page 9)

Construction: Starts on the construction of new dwellings in centres of 5,000 population and over in June dropped to 10,508 units from 15,984 in the corresponding month last year, while the total for the first six months of this year fell to 47,095 units from 57,963. (Page 9)

Agriculture & Food: For the year 1965, it is estimated that realized farm net income amounted to \$1,595.8 million. This is 13.4% above the 1964 estimate of \$1,407.8 million and 27.6% higher than the average of \$1,250.7 million for the five-year period 1960-64. (Page 10)

Manufacturing: Production of steel ingots during the week ending September 10 amounted to 169,007 tons, a decrease of 10.1% from the preceding week's 188,163 tons. (Page 13)

1. Price Movements The consumer price index for Canada rose 0.4% to 144.9 at the beginning of August from 144.3 in July. The August index was 3.9% above the level for August 1965 which stood at 139.4. Most of the increase between July and August was a result of higher food prices which moved the food index 1.4% upward. Fractional increases occurred in the indexes for housing, health and personal care, and recreation and reading. The index for tobacco and alcoholic beverages remained unchanged in August while the clothing and transportation indexes declined.

Consumer Price Indexes (1949=100)

	Component weights(1)	1966			1965
		August	July	June	August
All-Items	100	144.9	144.3	143.8	139.4
Food .....	27	148.1	146.0	144.2	137.8
Housing(2) .....	32	145.0	144.8	144.4	141.2
Clothing .....	11	124.8	125.2	125.3	120.7
Transportation .....	12	150.6	151.2	151.2	147.9
Health and Personal Care .....	7	181.3	181.0	181.2	175.8
Recreation and Reading .....	5	159.6	159.3	159.3	154.6
Tobacco and Alcohol .....	6	125.1	125.1	125.1	122.6

(1) Component weights indicate the relative importance of item groups.

(2) This index is composed of shelter and household operation.

The food index advanced 1.4% to 148.1 in August from 146.0 in July. Prices for most of the basic foods increased, including all dairy products except processed cheese, cereal products such as bread, flour, macaroni, cookies, most meats, eggs, butter and margarine, and fruits and vegetables such as bananas, apples, strawberries, onions, cabbage and tomato juice. Lower prices were recorded for sugar, tea, coffee, soft drinks, lard, grapes, raisins, potatoes, carrots, tomatoes, sausages, liver, and meat loaf.

The housing index moved up fractionally to 145.0 from 144.8. Higher prices for shelter, utensils and equipment, and household supplies outweighed price decreases for homefurnishings, floor coverings and some textiles. The clothing index moved down 0.3% to 124.8 from 125.2. Fairly widespread price decreases in wearing apparel outweighed higher prices for men's work shirts and trousers, ladies' foundation garments, men's and children's shoes, and piece goods.

The transportation index declined 0.4 per cent to 150.6 from 151.2. Lower prices for automobiles outweighed price increases for taxi fares and motor oil. The health and personal care index rose fractionally to 181.3 in August from 181.0 in July. Price increases were reported for pharmaceuticals and for personal care supplies such as toothpaste, face cream and powder, cleansing tissues, sanitary napkins and razor blades.

The recreation and reading index moved up slightly to 159.6 from 159.3 as prices for camera film, bicycles and admission to sporting events increased. The tobacco and alcoholic beverages index remained unchanged at 125.1.

Wholesale Price Indexes: The price index of 30 industrial materials (1935-39=100), calculated as an unweighted geometric average, moved down 0.9% to 262.1 from 264.6 in the three-week period July 29 to August 19. Prices declined for seven commodities, advanced for five and remained unchanged for 18. Principal changes included decreases for raw cotton, beef hides, hogs, raw wool, raw rubber, raw sugar and tin, and an increase for linseed oil.



Security Price Indexes: The investors' index of common stock prices (1956=100) declined 6.2% from 166.7 to 156.3 in the four-week period July 28 to August 25. Indexes for all three major groups decreased, headed by industrials, moving down 6.6% from 173.9 to 162.4, followed by utilities, down 5.7% from 162.9 to 153.6, and finance down 4.5% from 135.8 to 129.7.

\*2. Consumer Price Indexes For Regional Cities Between July and August 1966, the Consumer Price Indexes advanced in all ten regional cities with increases ranging from 0.3% in Montreal to 0.7% in Edmonton-Calgary.

Food indexes were higher in all cities with increases ranging from 0.9% in Vancouver to 2.7% in Winnipeg. The housing indexes advanced in eight cities, remained constant in one and declined fractionally in one. Clothing indexes rose slightly in one city, remained steady in two and fell in seven. Indexes for transportation declined in eight cities and remained unchanged in two. Health and personal care indexes increased in all but two cities where slight decreases were noted. August prices for recreation and reading advanced or remained steady in all ten cities while tobacco and alcohol indexes displayed mixed trends with increases noted in four cities, decreases in two and no changes in four.

Consumer Price Indexes for Regional Cities of Canada  
at the Beginning of August 1966(1)  
(Base 1949=100)

	All-Items		Group Indexes - August 1966						
	Aug-1966	July 1966	Food	Housing	Clothing	Transportation	Health & Personal Care	Recreation & Reading	Tobacco and Alcohol
St. John's(2)...	127.1	126.3	129.1	117.6	119.0	122.0	167.8	151.2	116.9
Halifax.....	139.0	138.5	142.0	137.1	133.3	139.3	176.3	173.9	127.0
Saint John.....	141.8	140.9	147.0	135.8	133.8	147.6	197.8	159.8	126.6
Montreal.....	142.6	142.2	152.3	138.5	115.1	166.7	188.2	162.1	128.0
Ottawa.....	145.2	144.4	150.8	140.0	129.7	166.5	190.5	154.2	132.5
Toronto.....	147.9	147.2	149.3	146.2	133.6	151.5	180.9	197.8	130.1
Winnipeg.....	140.1	139.2	146.9	130.8	131.0	141.2	194.7	146.9	138.7
Saskatoon-Regina	136.7	136.1	143.9	129.6	138.6	137.7	159.3	153.1	125.8
Edmonton-Calgary	135.4	134.5	138.3	129.9	135.0	135.6	182.7	149.7	121.1
Vancouver.....	139.0	138.5	141.4	136.7	128.4	152.2	159.9	157.0	123.9

(1) All-Items Indexes for August and July and August group index detail are shown in the above table. These indexes show changes in retail prices of goods and services in each city. They do not indicate whether it costs more or less to live in one city than another.

(2) Index on the base June 1951=100

St. John's: The all-items index increased by 0.6% to 127.1 in August from 126.3 in July reflecting higher prices in all indexes except transportation where a decrease was registered.

Halifax: The all-items index rose 0.4% to 139.0 from 138.5. Increases in food and recreation and reading outweighed decreases in housing, clothing, transportation and health and personal care. The tobacco and alcohol index remained steady at the July level.

Saint John: An increase of 0.6% in the all-items index to 141.8 from 140.9 resulted mainly from a 2.5% increase in food costs along with lesser increases in housing, health and personal care and recreation and reading. Clothing and tobacco and alcohol indexes showed no change while a 0.9% decrease was recorded in transportation.

Montreal: The all-items index rose 0.3% to 142.6 in August from 142.2 in July. Increases in food and health and personal care costs together with a fractional increase in recreation and reading offset decreases in clothing and transportation. Housing and tobacco and alcohol indexes remained unchanged.

Ottawa: The all-items index advanced 0.6% to 145.2 from 144.4 as a result of higher costs in food, housing, health and personal care and recreation and reading. Clothing and tobacco and alcohol indexes edged down slightly whereas transportation was unchanged.

Toronto: An increase of 0.5% to 147.9 in August from 147.2 in July was due to a rise in food, housing, health and personal care, recreation and reading and tobacco and alcohol indexes which more than counterbalanced the drop in clothing and transportation.

Winnipeg: The all-items index rose 0.6% to 140.1 in August from 139.2 in July resulting from increases of 2.7% in food, 0.2% in housing and 0.1% in tobacco and alcohol. Indexes for clothing, health and personal care, and transportation edged downward while recreation and reading remained unchanged.

Saskatoon-Regina: Higher prices in food, housing, health and personal care, recreation and reading and tobacco and alcohol moved the all-items index 0.4% to 136.7 from 136.1. Clothing remained unchanged and transportation decreased fractionally.

Edmonton-Calgary: The all-items index rose 0.7% to 135.4 in August from 134.5 in July. Increases were recorded in all indexes except clothing, transportation and tobacco and alcohol where only fractional decreases occurred.

Vancouver: An advance of 0.4% to 139.0 from 138.5 in all-items index was registered. Prices increased in food, housing, health and personal care, and recreation and reading. Clothing prices decreased slightly; prices for transportation and tobacco and alcohol items remained unchanged from July levels.



**\*3. Weekly Security Price Indexes**

	Number Stocks Priced	Sept. 1 1966	Aug. 25 1966	Aug. 4 1966
(1956 = 100)				
<u>Investors Price Index</u>				
Total index .....	114	154.5	156.3	164.7
Industrials .....	80	160.0	162.4	171.7
Utilities .....	20	153.0	153.6	161.7
Finance(1) .....	14	129.3	129.7	134.1
Banks .....	6	124.0	123.7	128.4
<u>Mining Stocks Price Index</u>				
Total index .....	24	108.4	111.5	117.5
Golds .....	16	133.7	142.5	143.6
Base metals .....	8	94.5	94.5	103.2
<u>Supplementary Indexes</u>				
Uraniums .....	6	185.2	185.0	216.3
Primary oils and gas .....	6	107.4	108.5	104.8

(1) Composed of Banks, and Investment and loan.

**\*4. Wholesale Price Indexes**

	Aug.* 1966	July* 1966	Aug. 1965	July 1965
(1935-39=100)				
General Wholesale Index.....	260.4	259.9	251.4	252.1
Vegetable Products.....	226.5	226.9	215.0	218.9
Animal Products.....	296.7	292.2	278.4	276.3
Textile Products.....	251.4	252.7	245.9	246.7
Wood Products.....	342.5	342.3	334.0	334.3
Iron Products.....	268.1	268.0	266.9	266.9
Non-ferrous Metals.....	229.0	229.1	219.1	219.4
Non-metallic Minerals.....	193.5	193.6	191.2	191.2
Chemical Products.....	209.0	210.2	202.6	202.6
Iron and Non-ferrous Metals (excluding gold).....	292.5	292.5	284.3	284.3

\* These indexes are preliminary.

**INDUSTRIAL PRODUCTION**

5. Index Of Industrial Production The June seasonally adjusted index of industrial production (1949=100) fell 0.3% to 273.1 from the revised May level of 273.8. The latest decrease, following the marginal decline now shown for May, left the index nearly 0.4% lower than in April when the index reached the all-time high of 274.1. In June, declines occurred in mining (-1.4%) and manufacturing (-0.2%), with both non-durables and durables contributing equally to the drop in manufacturing. Electric power and gas utilities rose by 0.7%.

The following percentage changes are indicated in the first half of this year as compared to the same period last year: index of industrial production, +9.5%; mining, +8.4%; manufacturing +9.2%; non-durable manufacturing +9.0%; durable manufacturing 9.5%; and electric power and gas utilities, 13.5%.

\*6. Commodity Imports and Exports  
In July And First Seven Months Commodity imports in July are estimated at \$737,800,000, a small increase of 0.7% over last year's corresponding total of \$732,300,000. Exports for the month, as announced September 7, were valued at \$855,400,000, up 8.3% from \$790,000,000 a year earlier. The resulting export balance was \$117,600,000, approximately double last year's \$57,700,000. In the first seven months this year imports rose 14.7% to \$5,507,600,000 from \$4,802,500,000, while exports advanced 17.3% to \$5,641,600,000 from \$4,808,600,000. The export balance in the period was \$134,000,000 in contrast to \$6,100,000 a year ago.

Imports from the United States in July increased 3.0% to \$517,000,000 from \$501,900,000, bringing the January-July total to \$4,027,400,000, up 17.8% from \$3,418,400,000. The month's exports to the United States rose 13.8% to \$501,500,000 from \$440,700,000, placing the seven-month total at \$3,453,900,000, larger by 23.4% than last year's \$2,799,300,000. The import balance in July was smaller than a year earlier at \$15,500,000 versus \$61,300,000, while the seven-month figure stood at \$573,500,000 versus \$619,100,000.

Purchases from the United Kingdom in July totalled \$49,900,000, a decrease of 13.8% from last year's corresponding total of \$58,000,000, while seven-month imports rose 5.2% to \$366,600,000 from \$348,600,000. Exports to the United Kingdom in July were valued at \$91,700,000, a decline of 24.5% from last year's \$121,500,000 for the same period, while seven-month exports, at \$646,200,000, were down 6.7% in value from \$692,700,000. The resulting export balance was smaller this year than last, standing at \$41,800,000 in July versus \$63,600,000 and at \$279,500,000 in the seven months versus \$344,100,000.

Commodity purchases from other commonwealth and preferential rate countries in July were worth \$37,000,000, larger by 15.8% than last year's \$32,000,000, while January-July imports from the group increased 9.1% to \$207,300,000 from \$190,000,000. Exports to the group advanced 16.3% in the month to \$48,800,000 from \$42,000,000, while the seven-month value decreased 5.8% to \$279,300,000 from \$296,600,000. The export balance was little changed in the month at \$11,800,000 versus \$10,000,000 a year ago, while the cumulative figure was smaller than a year earlier at \$72,000,000 versus \$106,500,000.

Imports from all other countries together decreased 4.7% in July to \$133,900,000 from \$140,400,000 in the same month last year, while the January-July value rose 7.2% to \$906,300,000 versus \$845,500,000. The month's exports to the group climbed 14.8% to \$213,300,000 from \$185,900,000 a year ago, and 23.7% in the cumulative period to \$1,262,300,000 versus \$1,020,100,000. There was an export balance in the month of \$79,500,000 in contrast to \$45,500,000 in the same month last year, while the seven-month balance was \$356,000,000 in contrast to \$174,600,000.

.7&8. Commodity Imports Canada's commodity imports in February were valued at \$667,932,000, an increase of 21% over last year's corresponding total of \$550,980,000. Among major sources there were increased purchases from the United States, the United Kingdom, France, Federal Republic of Germany, Netherlands, Sweden, and Jamaica. Wheel tractors, passenger automobiles, motor vehicle parts, ships and boats, and aircraft were among commodities showing increased values during the month.



Imports from the United States in February were valued at \$478,432,000 (\$407,687,000 in the corresponding month last year); United Kingdom, \$59,045,000 (\$40,582,000); Japan, \$18,768,000 (\$11,247,000); Venezuela, \$17,469,000 (\$17,546,000); Federal Republic of Germany, \$12,849,000 (\$9,798,000); France, \$5,930,000 (\$3,926,000); Sweden, \$5,026,000 (\$2,638,000); Jamaica, \$4,364,000 (\$2,885,000); Switzerland, \$3,808,000 (\$2,674,000); Italy, \$3,759,000 (\$4,666,000); Netherlands, \$3,668,000 (\$2,711,000); and Belgium and Luxembourg, \$3,398,000 (\$3,608,000).

Principal commodity imports during the month included the following: motor vehicle parts, excluding engines, \$78,737,000 (\$54,004,000 in February 1965); crude petroleum, \$22,339,000 (\$23,856,000); passenger automobiles, \$18,085,000 (\$14,207,000); ships, boats and parts, excluding engines, \$14,229,000 (\$1,204,000); aircraft, complete, \$13,799,000 (\$6,507,000); wheel tractors, new, \$8,704,000 (\$8,677,000); plate, sheet and strip, steel, \$8,189,000 (\$9,925,000); motor vehicle engines, \$7,830,000 (\$2,566,000); organic chemicals, \$7,056,000 (\$6,599,000); motor vehicle engine parts, \$6,378,000 (\$4,958,000); and aluminum ores, concentrates and scrap, \$5,757,000 (\$3,580,000).

LABOUR

\*9. Estimates Of Labour Income Paid workers in Canada received an estimated \$2,249 million in April in the form of salaries and wages, an increase of 2.1% over the preceding month's \$2,203 million and a rise of 12.9% over last year's corresponding total of \$1,992 million, according to an advance release of data that will be contained in the April issue of the DBS report "Estimates of Labour Income". This placed the total for the January-April period at \$8,795 million, a rise of 13.0% over last year's like total of \$7,782 million.

The table following contains data on labour income on the unadjusted basis for April and January-April 1966 and 1965 and March 1966, together with seasonally adjusted data for March and April this year.

	Unadjusted					Seasonally Adjusted	
	April 1966	March 1966	April 1965	January- 1966	April 1965	April 1966	March 1966
	millions of dollars						
Newfoundland.....	34	33	29	132	111	37	37
Prince Edward Island	6	5	5	22	19	6	6
Nova Scotia.....	58	57	54	227	211	59	58
New Brunswick.....	47	46	40	184	160	50	48
Quebec.....	600	590	532	2,354	2,086	614	610
Ontario.....	934	916	839	3,659	3,265	946	936
Manitoba.....	93	92	85	366	335	96	96
Saskatchewan.....	69	67	61	266	236	72	71
Alberta.....	147	147	129	581	513	154	153
British Columbia....	254	245	213	980	824	260	254
CANADA	2,249	2,203	1,992	8,795	7,782	2,305	2,280

\*10. Federal Government Employment April 1966 civilian employment of the Public Service totalled 355.9 thousand, an increase of 0.7% from March 1966 and 4.2% from April 1965. Monthly payroll was \$166.3 million, up 4.1% from March and up \$19.3 million or 13.2% from April 1965. Payrolls for the first four months of 1966 totalled \$643.8 million, a gain of \$72.1 million or 12.6% over the same four months of 1965.

Little change occurred during April in either the number of employees or payrolls of the Agency and Proprietary Corporation and Other Agencies. Employment increased by 1,200 or 0.9% to 137.4 thousand while total payrolls decreased \$956 thousand or 1.4% to \$66.4 million. Employment was up 2.6% from that of April 1965 while payroll rose 6.0%. Cumulative payroll January 1 to April 30, 1966 was \$263.4 million, compared to \$246.7 million for the same period of 1965, representing a 6.8% increase.

Employment in Departments and Departmental Corporations numbered 218.5 thousand at the end of April 1966, an increase of 0.6% over the preceding month and 5.3% over April 1965. Total departmental payroll was \$99.9 million, up \$7.5 million or 8.2% from March 1966 and \$15.5 million or 18.7% from April 1965. Retroactive payments of \$3.8 million were paid to approximately 10,700 professional employees during the month. Cumulative payroll January 1 to April 30 totalled \$380.4 million in the 1966 period, an increase of 17.1% or \$55.3 million over the same period of 1965.

\*11. Estimates of Employees by Province and Industry Aggregate employment in eight commercial, non-agricultural industries in the establishment survey for April 1966 was estimated at 4,396,000 or an increase of 56,000 over March, according to the advance summary of data to be contained in the April issue of the DBS report "Estimates of Employees by Province and Industry". Forestry and mines, quarries and oil wells reported seasonal declines of 4,000 and 2,000 respectively. In the two-month period between the end of February and that of April, global employment in the industries covered increased by 84,000.

Compared with April 1965, aggregate employment in the industries specified increased by 270,000. Manufacturing gained 95,000, commercial services 54,000, trade 50,000, construction 36,000, transportation, communication and other utilities 19,000, finance, insurance and real estate 9,000, mines, quarries and oil wells 6,000 and forestry 3,000.

In addition to the estimates of employees for April 1966, employment data revised to the 1960 Standard Industrial Classification for the period January 1961 to December 1965 are included in the April 1966 release of this report.

## U T I L I T I E S

\*12. Electric Energy Net generation of electric energy in Canada increased 9.1% to 11,824,226 thousand Kwh in July from 10,830,559 thousand Kwh in July 1965. All of the increased generation occurred in hydro-electric plants. There was a decrease of 9.6% in the output from thermal plants. During the first seven months of 1966, net generation amounted to 89,645,157 thousand Kwh., up 10.8% from the corresponding period in 1965.



13. Retail Trade Sales of Canadian retailers in June amounted to an estimated \$1,962,391,000, an increase of 6.1% over last year's corresponding total of \$1,849,712,000. This followed increases of 11.0% in the first quarter, 4.5% in April and a small decrease of 0.1% in May, resulting in an overall increase of 6.9% in the first half year to \$10,814,763,000 from \$10,119,925,000 a year earlier.

June sales were up 3.3% in the Atlantic Provinces, 5.8% in Quebec, 5.9% in Ontario, 10.2% in Manitoba, 2.6% in Saskatchewan, 10.1% in Alberta, and 6.7% in British Columbia. In the January-June period, area advances were as follows: Atlantic Provinces, 4.8%; Quebec, 5.4%; Ontario, 6.9%; Manitoba, 9.8%; Saskatchewan, 6.3%; Alberta, 9.3%; and British Columbia, 9.1%.

14. Department Store Sales Department store sales during the week ending August 27 were valued 3.6% higher than in the corresponding week last year. Gains of 6.9% in the Atlantic Provinces, 9.7% in Quebec, 2.9% in Ontario, 8.8% in Saskatchewan, and 2.6% in British Columbia more than offset decreases of 4.2% in Manitoba and 1.1% in Alberta.

15. Chain Store Sales & Stocks Chain store sales in June were valued at \$436,968,000, larger by 13.9% than last year's corresponding total of \$383,493,000, while stocks at cost at the first of the month were valued 11.5% higher than a year earlier at \$561,543,000 as against \$503,468,000. Sales advances were posted for all eleven kinds of businesses, ranging between 1.9% for furniture, radio and appliance stores and 24.9% for hardware.

16. Steel Warehousing Sales by firms which account for approximately 90% of Canada's steel warehousing business included the following items in June: concrete reinforcing bars, 8,460 tons (9,414 in June last year); other hot rolled bars, 11,374 tons (12,316); plates, 20,078 tons (22,088); sheet and strip, 21,229 tons (35,011); galvanized sheet and strip, ternplate, 8,775 tons (8,582); heavy structural beams, 12,091 tons (9,711); bar size structural shapes, 6,159 tons (6,022); and other structural shapes, 8,797 tons (8,157).

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

17. New Residential Construction Starts on the construction of new dwellings in centres of 5,000 population and over in June dropped to 10,508 units from 15,984 in the corresponding month last year, while the total for the first six months of this year fell to 47,095 units from 57,963. Completions rose in June to 10,779 units from 8,021 and in the cumulative period to 70,654 units from 66,731. Units in various stages of construction at the end of June numbered 76,840 units versus 80,436.

Starts in Ontario centres in June fell to 5,048 units from 7,705 in the same month last year, and in Quebec to 2,598 units from 4,086. Totals for the other provinces follow: Newfoundland, 149 units (49 a year ago); Prince Edward Island, 8 (9); Nova Scotia, 80 (192); New Brunswick, 157 (251); Manitoba, 294 (523); Saskatchewan, 324 (562); Alberta, 942 (537); and British Columbia, 980 (2,070).

18. Net Income Of Farm Operators For the year 1965, it is estimated that realized  
From Farming Operations 1965 farm net income amounted to \$1,595.8 million.  
 This is 13.4% above the 1964 estimate of \$1,407.8 million and 27.6% higher than the average of 1,250.7 million for the five-year period 1960-64. Although farm operating expenses and depreciation charges rose by more than 6% in 1964 & 1965, this was more than offset by increases in total receipts from the sale of farm products supplementary payments, and income in kind.

Total farm net income, which is calculated by adding the value of changes in inventory of field crops & livestock to realized farm net income is estimated at \$1,660.3 million about 26% above the 1964 level of \$1,313.2 million and 29% above the five-year average of \$1,286.6 million for the years 1960 to 1964 inclusive. Farm inventories of grains in the Prairie Provinces increased quite substantially between the beginning and end of 1965 as a result of a high level of production in 1965. This together with an increased year-end carry over of tobacco more than offset some decline in livestock numbers to contribute to the increase in total farm net income.

Farm cash receipts from farming operations, the most important component of farm net income, reached a record high of \$3,775.8 million in 1965. This is slightly more than 8% above the previous high of \$3,488.2 million in 1964 and 12.2% higher than the average of \$3,082.4 million for the five-year period 1960-64.

Farm operating expenses & depreciation charges reached a new high level of \$2,641.1 million in 1965, 6.3% above the estimate of \$2,485.3 million a year earlier. All items considered in the estimates of farm operating expenses were higher in 1965 than in 1964.

Farm net income is as follows in thousands of dollars for the year 1965 with comparable 1964 data in brackets: Prince Edward, \$15,268 (\$12,817); Nova Scotia, \$18,418 (\$16,120); New Brunswick, \$21,920 (\$16,875); Quebec, \$161,959 (\$139,853); Ontario, \$369,076 (\$314,115); Manitoba, \$164,628 (\$156,755); Saskatchewan, \$527,594 (\$338,448); Alberta, \$312,408 (\$247,175); British Columbia, \$69,019 (\$71,040).

The above estimates form part of a revised series dealing with farm net income. The revised estimates are now based upon the most up-to-date information from private and Government sources including the Censuses of Agriculture and the 1958 Farm Expenditure & Income Survey. They also reflect changes in methods of calculation which have been developed in recent years.

19. Food Preparations This year's second quarter production of food preparations included the following: blended tea, 2,610,000 pounds (2,957,000 a year ago); tea bags, 11,647,000 pounds (9,115,000); roasted and blended coffee, 24,316,000 pounds (23,869,000); instant coffee, 5,568,000 pounds (5,191,000); breakfast cereals, 32,900,978 (33,323,100); dried and powdered eggs, 241,452 pounds (263,210); food drink powders, 5,325,173 pounds (4,746,541); dry macaroni, spaghetti, vermicelli, noodles, 37,915,563 pounds (37,228,557); cooked macaroni, spaghetti, 17,944,801 pounds (16,491,655); peanut butter, 11,933,527 pounds (10,457,786); powders (custard, ice cream, jelly, pudding, pie filling), 15,417,007 pounds (15,262,616); prepared mixes, 40,677,055 pounds (37,832,424); process cheese, 19,536,215 pounds (18,557,499); and salad dressing and mayonnaise, 19,720,861 pounds (17,153,941).



\*20. Honey Production Forecast Canadian honey production, based on forecasts as of August 15, is expected to total over 45,000,000 pounds in 1966, some 8% less than the 1965 crop. Data for the Maritime Provinces are not included, which in 1965 accounted for less than 1% of production. Excluding the Maritimes the number of colonies in 1966 is estimated at 426,300 and the average yield per colony at 106 pounds.

21. Production & Exports Of Wheat Flour Canadian flour mills ground 97,930,000 bushels of wheat during the 1965-66 crop year and produced 43,577,000 cwt. of flour and 724,000 tons of millfeeds. Corresponding figures for 1964-65 were 87,209,000 bushels of wheat ground and 39,107,000 cwt. of flour and 647,000 tons of millfeeds produced. The percentage of milling capacity utilized for the crop year 1965-66 averaged 85.4 compared with 76.7 for the preceding crop year. Exports of wheat flour, based on preliminary Customs returns, were placed at 14,944,000 cwt., compared with the adjusted 1964-65 figure of 13,714,000 cwt.

TRANSPORTATION

\*22. Railway Operating Statistics Twenty-three common carrier railways in Canada reported operating revenues of \$129.8 million for May 1966, up 13.2% over the previous year, according to an advance release of data that will be contained in the May issue of the DBS report, "Railway Operating Statistics". Unavailable for both years are details of the British Columbia Hydro and Power Authority Railway line and Cartier Railway Company. Railway operating expenses rose 12.2% to \$117.4 million during May, and, as a result, net operating income increased to \$12.4 million from \$10.0 million in the 1965 month.

Railway Operating Revenues, Expenses and Net Income,  
May, 1966

	Total 23 Railways	C.N.R.	C.P.R.
	\$	\$	\$
Operating Revenues .....	129,773,390	66,732,172	46,906,516
Freight .....	115,786,280	57,838,931	42,869,652
Passenger .....	5,669,337	3,891,981	1,582,518
Operating Expenses .....	117,407,599	62,035,248	42,810,244
Road & equipment maintenance	47,896,247	26,694,448	16,714,779
Transportation .....	44,573,832	24,314,525	16,723,603
Net Income .....	12,365,791	4,696,924	4,096,272
Operating ratio % .....	90.47	92.96	91.27

April traffic statistics (contained in the May financial operating report) show that Canadian railways handled 19.0 million tons of revenue freight in that month (16.7 million tons in April 1965) and generated 7.6 billion ton-miles (6.3 billion) while operating an average 44,081 miles of first main track (44,170 a year earlier). Commuter travel rose 10.6% over the previous April while non-commuter traffic fell by 17.9%. Passengers carried during the month under review fell by more than 79,000 from the earlier year with C.P.R. lines accounting for about 56% of the decline and C.N.R. 37%. Employment in the industry at 128,191 was down 1.5% from April 1965.

- \*23. Canal Statistics The total tonnage of freight transported through Canadian canals in June 1966 increased 1.4% to 12,523,208 tons from 12,349,682 tons in June last year, according to an advance release of data that will be contained in the June issue of the DBS report "Summary of Canal Statistics".

The five commodities moved in greatest volume on the St. Lawrence canals this month were: iron ore, 1,637,624 tons (1,479,583 tons in June 1965); wheat, 1,154,842 tons (770,647); corn, 318,545 tons (642,426); fuel oil, 315,901 tons (294,481); and barley, 230,960 tons (211,800).

On the Welland canal the five commodities moved in largest volume were: iron ore, 2,081,805 tons (2,255,506); wheat, 1,181,117 tons (874,988); bituminous coal, 985,494 tons (1,043,613); corn, 332,949 tons (670,549); and barley, 273,795 tons (243,668).

24. Urban Transit Initial passenger fares, excluding transfers, collected by urban transit systems during June rose 17.6% to 80,608,782 from last year's corresponding total of 68,515,994. This brought the total for the January-June period to 503,026,332, moderately above last year's 492,575,020 for the same period. Operating revenue advanced to \$13,466,805 in June from \$11,012,567 and in the six-month period to \$82,113,183 from \$75,663,915.

## TRAVEL

25. Travel Between Canada And Other Countries Entries of non-resident vehicles from the United States in May numbered 932,500, a drop of 2.1% from the same month last year, while the January-May total advanced 7.8% to 3,271,100. Canadian vehicles returning totalled 985,800 in May, an increase of 8.0%, bringing the five-month total to 4,000,600, up 8.5%.

A total of 160,800 non-immigrant travellers entered Canada from the United States by plane, through bus, rail and boat in May, an increase of 7.6% over the same month last year, bringing the five-month total to 497,200, a gain of 12.8%. Canadians returning by these means in June numbered 126,700, a gain of 2.6%, placing the year's cumulative total at 590,200 for an increase of 7.6%.

Non-immigrant visitors entering Canada from overseas countries in May numbered 38,973, 22,731 or 58% arriving via the United States and 16,242 or 42% direct. Canadian residents returning direct from overseas countries numbered 33,492 in May, an increase of 12% from a year earlier.

## MINING

- \*26. Crude Petroleum and Natural Gas Production Production of crude petroleum and equivalent hydrocarbon during January 1966 amounted to 28,498,658 barrels (919,311 barrels/day), a decrease of 1.8% or 16,363 barrels per day from January 1965, according to preliminary statistics. Natural gas gross production increased 10% to 151,240,618 MCF from 137,497,768 MCF in January 1965, and net withdrawals from fields were 132,717,601 MCF.

27. Salt Canadian producers shipped 360,786 tons of dry salt and salt content of brine in July as compared to 404,616 in the corresponding month last year, bringing the January-July total to 2,350,017 tons versus 2,469,825. Producers' stocks at the end of the month were 245,562 tons versus 168,162 at the same time last year.



\*28. Steel Ingots Production of steel ingots during the week ending September 10 amounted to 169,007 tons, a decrease of 10.1% from the preceding week's 188,163 tons. Output in the corresponding week last year was 172,556 tons. The index of production, based on the average weekly output during 1957-59 of 96,107 tons equalling 100, was 176 in the current week, 196 a week earlier and 180 a year ago.

\*29. Summary Of Net Shipments Of Rolled Steel Products, July 1966

	1965 Total Shipments	1966 Monthly Shipments		
		Domestic	Export	Total
net tons of 2,000 pounds				
Semi-finished shapes.....	27,753	18,890	1,180	20,070
Rails.....	25,171	16,269	719	16,988
Wire rods.....	34,770	25,159	815	25,974
Structural shapes:				
Heavy, including piling.....	34,148	31,416	1,536	32,952
Bar-sized shapes.....	5,647	6,238	121	6,359
Concrete reinforcing bars.....	57,993	63,526	1,228	64,754
Other hot rolled bars:				
Flats.....	7,157	52,112	(3,249	7,353
Other.....	48,924		)	48,008
Tie plates and track material....	5,677	6,109	49	6,158
Plates (including plates for pipes and tubes).....	79,350	78,405	6,820	85,225
Hot rolled sheets.....	70,572	58,339	14,819	73,158
Hot rolled strip.....	22,174	18,932	-	18,932
Cold finished bars.....	4,101	5,569	-	5,569
Cold reduced sheets and strip, tin mill, black plate and tin plate.....	110,727	99,274	14,008	113,282
Galvanized sheets.....	48,126 <sup>r</sup>	46,914	2,747	49,661
Totals.....	582,290 <sup>r</sup>	527,152	47,291	574,443

r Revised figures.

30. Hardboard Producers' shipments of hardboard in July declined 14% to 31,343,656 square feet from last year's corresponding total of 36,356,376, placing the total for the January-July period at 222,063,740 square feet, smaller by 15% than last year's 260,024,184.

\*31. Production, Consumption & Stocks Of Pulpwood and Wood Residues Production of pulpwood in June amounted to 1,952,493 cunits, an increase of 9% over last year's corresponding total of 1,784,360 cunits, according to advance data that will be contained in the June issue of the DBS report "Pulpwood and Wood Residue Statistics". The amount consumed during the month was 1,329,615 cunits (14% above last year's 1,168,757 cunits), while the closing inventory totalled 9,271,554 cunits (down 7% from 9,964,894). Receipts of wood residue rose 8% to 400,293 cunits from 369,000.

32. Preliminary Population Counts of the 1966 Census The fourth release in a series showing preliminary population counts of the 1966 Census of Canada for nearly 1,100 incorporated cities, towns, villages and municipalities was released to-day by DBS. The present release is one in a series of five being issued to show these provisional counts for all organized municipal subdivisions across Canada. The last release in this series, which will also contain figures for census metropolitan areas, will be issued shortly.

Included in the fourth release are figures for 37 cities, 150 towns, 264 villages and 612 other municipal subdivisions such as townships, municipalities, municipal districts and local government districts. Final figures will be issued at a later date after adjustments for persons enumerated away from their usual homes, absentee households, etc., have been made.

#### G O V E R N M E N T F I N A N C E

33. Financial Statistics of Provincial Governments Total net general revenue of provincial governments at \$3,518 million increased by 8.1% in 1963-64 over the previous year, while net general (current and capital) expenditure at \$3,750 million rose by 9.2%, according to the annual report "Financial Statistics of Provincial Governments - Revenue and Expenditure" released today.

Tax receipts accounted for nearly 64.4% of the total net general revenue, privileges, licences and permits for 19%, and revenue from the Government of Canada under the federal-provincial fiscal arrangements for 7.4%.

The higher tax revenue resulted from an increase in the general sales tax in Prince Edward Island and from the general tax on increased sales in the other provinces. Additional tax revenue also resulted from the increased tax payable on sales of motor fuel in Prince Edward Island effective April 23, 1963, and on gasoline and diesel fuel in Quebec effective April 5, 1963. In addition the increased sales of motor fuel in the other provinces accounted for additional revenue from the sales tax on same.

Approximately 29.1% of the total net general expenditure was spent on education, over 26.7% on health and social welfare and just over 21% on transportation and communications (chiefly roads).

The report is largely based on information contained in the public accounts of the provinces and territories for the fiscal year ended March 31, 1964. Certain adjustments were made to the public accounts statements for purposes of interprovincial comparability.

#### T U B E R C U L O S I S

34. Tuberculosis New reported cases of tuberculosis in June numbered 489, comprising 415 new active and 74 reactivated. Number reported in the January-June period was 2,219 (2,595 a year ago), with new active cases accounting for 1,891 (2,189 a year earlier), and 328 reactivated (406).



35. Control and Sale of Alcoholic Beverages Federal and provincial government revenue derived specifically from the **Control** and taxation of alcoholic beverages, amounted to \$591 million in the fiscal year ended March 31, 1965, an increase of \$36 million, or 6.5% over the previous fiscal year, according to the Bureau's annual report, "The Control and Sale of Alcoholic Beverages in Canada". All governments except those of the Yukon and the Province of Quebec, shared in the higher yield. Reduced sales in Quebec were due to the strike which paralyzed the work of the Quebec Liquor Board from December 4th, 1964 to February 14th, 1965.

The value of sales of alcoholic beverages reached a total of \$1,129 million, an increase of 5%. Beer sales increased by 6% during the year and sales of spirits and wine each by 4%. The sales figures reported, however, do not represent final sales to consumers as they do not include the markup by licencees.

Gallonage sales rose by 3% in the period under review. There were 4% more gallons of beer sold than in the previous year, while gallonage sales of spirits and wine showed a slight decrease.

Exports of alcoholic beverages in 1964 increased by 19% in both value and volume over exports of the previous year. A change in the method of reporting import statistics during the fiscal year 1963-64 invalidates any comparison with those of the current year.

The report also contains data on production and warehousing, and a provincial and territorial government breakdown of revenues, liquor commission assets and liabilities and value and volume sales, by type, Canadian and imported.

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RELEASED THIS WEEK

Catalogue numbers and prices are shown following the titles. Starred items are releases for which no corresponding publications were issued this week.

1. Price Movements, August 1966 (62-001), 10¢/\$1.00
- \*2. Consumer Price Indexes for Regional Cities, August 1966
- \*3. Weekly Security Price Indexes, September 1, 1966
- \*4. Wholesale Price Indexes, August 1966
5. Index of Industrial Production, June 1966 (61-005), 20¢/\$2.00
- \*6. Commodity Imports & Exports in July & First Seven Months, 1966
7. Summary of Foreign Trade, February 1966 (65-001), 10¢/\$1.00
8. Summary of Imports, February 1966 (65-005), 20¢/\$2.00
- \*9. Estimates of Labour Income, April 1966
- \*10. Federal Government Employment, April 1966
- \*11. Estimates of Employees by Province & Industry, April 1966
- \*12. Electric Energy, July 1966
13. Retail Trade, June 1966 (63-005), 20¢/\$2.00
14. Department Store Sales by Regions, August 27, 1966 (63-003), \$2.00 a year
15. Chain Store Sales & Stocks, June 1966 (63-001), 10¢/\$1.00
16. Monthly Survey of Steel Warehousing, June 1966 (63-010), 10¢/\$1.00
17. New Residential Construction, June 1966 (64-002), 30¢/\$3.00
18. Farm Net Income, 1965 (21-202), 25¢

- 19. Miscellaneous Food Preparations, Second Quarter, 1966 (32-018), 25¢/\$1.00
- \*20. Honey Production Forecast, 1966
- 21. Grain Milling Statistics, July 1966 (32-003), 10¢/\$1.00
- \*22. Railway Operating Statistics, May 1966
- \*23. Canal Statistics, June 1966
- 24. Urban Transit, June 1966 (53-003), 10¢/\$1.00
- 25. Travel Between Canada, the United States & Other Countries, May 1966 (66-001), 30¢/\$3.00
- \*26. Crude Petroleum & Natural Gas, January 1966
- 27. Salt, July 1966 (26-009), 10¢/\$1.00
- \*28. Steel Ingots, September 10, 1966
- \*29. Summary of Net Shipments of Rolled Steel Products, July 1966
- 30. Hardboard, July 1966 (36-001), 10¢/\$1.00
- \*31. Production, Consumption & Stocks of Pulpwood & Wood Residues, June 1966
- 32. Preliminary Population Counts, 1966 Census (Number 4)
- 33. Provincial Government Finance, Revenue & Expenditure, 1963 (68-207), \$1.00
- 34. Incidence of Tuberculosis, June 1966 (82-001), 10¢/\$1.00
- 35. Control & Sales of Alcoholic Beverages in Canada, 1964 (63-202), 50¢
  
- Products Shipped by Canadian Manufacturers, 1962 (31-211), 75¢
- Advance Statement on Employment & Average Weekly Wages & Salaries, April 1966 (72-001), 10¢/\$1.00
- Foundation Garment Shipments, Second Quarter 1966 (34-002), 25¢/\$1.00
- Training Schools, 1963 (85-208), 50¢
- Canadian Pacific Railway Company, 1923-65 (52-202), 50¢
- Annual Supplement to the Canadian Statistical Review, 1965 (11-206), \$1.00
- Oil Pipeline Transport, May 1966 (55-001), 20¢/\$2.00
- Service Bulletin: Energy Statistics -- IND-SB-(2)-26
- Monthly Review of Canadian Fisheries Statistics, June 1966 (24-002), 30¢/\$3.00
- Production of Leather Footwear, June 1966 (33-002), 20¢/\$2.00
- Inventories, Shipments & Orders in Manufacturing Industries, June 1966 (31-001), 30¢/\$3.00
- Service Bulletin: Food & Beverage Processing -- IND-SB-1 (37)
- Production of Canada's Leading Minerals, June 1966 (26-007), 10¢/\$1.00
- Survey of Higher Education: Part II -- Degrees, Staff & Summary -- 1963-64 (81-211), 75¢



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