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HIGHLIGHTS OF THIS ISSUE

Balance of Payments: At \$756 million, Canada's deficit for the first six months of 1966 on international transactions in goods and services was practically unchanged from \$755 million for the same period of 1965. (Page 2)

Corporation Profits: Seasonally adjusted, profits before taxes decreased slightly by less than 1% from a revised \$1,342 million in the first quarter of 1966 to \$1,330 million in the second quarter. (Page 5)

Manufacturing: Production of steel ingots declined in August to 724,094 tons from last year's corresponding total of 863,344 tons, while the month's output of pig iron fell to 535,808 tons from 634,605 ... Production of steel ingots during the week ending September 14 amounted to 188,160 tons, an increase of 11.3% over the preceding week's 169,007 tons ... Manufacturers' shipments in July, at an estimated value of \$2,870.1 million, showed a decrease of 12.4% from the revised June estimate of \$3,276.1 million but increased by 4.4% over the July 1965 estimate of \$2,750.0 million. (Page 6)

External Trade: Canada's commodity imports in March were valued at \$830,767,000, an increase of 14% over last year's corresponding total of \$729,865,000. This brought the January-March value to \$2,205,606,000, up 20% from \$1,840,342,000. (Page 9)

Business: Business failures under the provisions of the Bankruptcy and Winding Up Acts during the second quarter of this year numbered 749 as compared with 830 in the corresponding period last year. (Page 9)

Labour: An estimated 7,577,000 persons were employed in August. The increase of 34,000 from July was above average for this time of year. Unemployment decreased by 16,000 to 228,000, a normal decline for this period. (Page 10)

Merchandising: Department store sales during the week ending September 3 were valued 0.4% lower than in the corresponding week last year. (Page 11)

Transportation: A nation-wide railway strike involving the Canadian National, the Canadian Pacific and six smaller lines went into effect at noon August 26 and continued into the period under review. Consequently, loadings for the seven days ending September 7 totalled 42,181 cars. (Page 16)

1 Balance of International Payments At \$756 million, Canada's deficit for the first six months of 1966 on international transactions in goods and services was practically unchanged from \$755 million for the same period of 1965. An improvement of \$40 million in the merchandise trade deficit from \$66 million to \$26 million was slightly exceeded by the widening by \$41 million in net payments on non-merchandise transactions from \$689 million in the first two quarters of 1965 to \$730 million in 1966.

While there was relative stability in the half-year period there were more variations within the period. Some reduction in the current balance over the previous year occurred in the second quarter when the current deficit was \$352 million this year compared with \$360 million in the second quarter of 1965. The revised figure for the first quarter of this year of \$404 million compared with \$395 million for that quarter in 1965.

Summary Statement

	1964	1965	1965			1966	
			II Q	III Q	IV Q	I Q	II Q
			millions of dollars				
Merchandise exports.....	8,238	8,745	2,191	2,263	2,465	2,212	2,586
Merchandise imports.....	7,537	8,627	2,218	2,102	2,442	2,218	2,606
Merchandise trade balance..	+ 701	+ 118	- 27	+ 161	+ 23	- 6	- 20
Non-merchandise receipts...	2,509	2,719	648	923	643	534	689
Non-merchandise payments...	3,634	3,920	981	1,048	1,030	932	1,021
Deficit on non-merchandise transactions.....	-1,125	-1,201	- 333	- 125	- 387	- 398	- 332
Current account balance....	- 424	-1,083	- 360	+ 36	- 364	- 404	- 352
Capital movements(1).....	+ 787	+1,240	+ 361	+ 190	+ 366	+ 265	+ 235
Long-term forms.....	+ 820	+ 713	+ 134	+ 216	+ 235	+ 430	+ 179
Short-term forms.....	- 33	+ 527	+ 227	- 26	+ 131	- 165	+ 56
Change in official holdings of gold, foreign exchange, and net balance with International Monetary Fund..	+ 363	+ 157	+ 1	+ 226	+ 2	- 139	- 117

(1) Excluding change in official exchange holdings.

The current account deficit of \$352 million in the second quarter of 1966 was financed by a net capital inflow of \$235 million and a net reduction in official monetary assets of \$117 million. A significant part of the decline in the official reserves was contributed by a further special repurchase of some \$69 million by the Government of Canada of its United States dollar obligations from residents of that country. Of the total net capital inflow, \$179 million was in long-term and \$56 million in short-term forms. These capital movements followed much larger inflows in long-term forms in the first quarter which were substantially offset in that period by net short-term outflows.

With a generally favourable economic climate in Canada's overseas markets and a more heightened business activity in North America, both merchandise exports and imports increased roughly 20% between the first half years 1965 and 1966. This expansion occurred even though there were impediments to the flow of trade through much of the period originating in various disputes in the transportation industries. Other important elements in the background affecting trade were the heavy shipments of grain to the U.S.S.R. and China and the greatly enlarged movements of automobiles and parts in both directions between Canada and the United States. The growth in Canada's deficit on non-merchandise transactions was moderated in the first half of 1966 by an expansion in the net inward movements of migrants' funds.

Transactions In Goods And Services Merchandise exports in the first half of 1966, adjusted for balance of payments use, increased \$781 million or nearly 20% to \$4,798 million, while merchandise imports, also adjusted, rose \$741 million or about 18% to \$4,824 million.

With the exception of migrants' funds and of government expenditures other than official contributions, all the non-merchandise items contributed to the \$41 million increase in the "invisible" deficit to \$730 million. With a rise of \$29 million to \$170 million, the travel deficit for the first half of 1966 stood higher than that for the same period for any preceding year; and accounted for 23% of the total non-merchandise deficit in the six months of 1966, as compared with 20% one year earlier.

Net payments of interest and dividends increased \$31 million to \$383 million, with interest and dividend receipts declining \$4 million to \$136 million and payments rising \$27 million to \$519 million in the first half of 1966. More than one-half of the total "invisible" deficit in the first two quarters of 1966 was attributed to interest and dividends.

The deficit on freight and shipping transactions widened \$5 million to \$43 million; official contributions were up \$4 million to \$47 million in 1966; the value of gold production available for export at \$63 million was \$6 million lower than in the first half of 1965, and net payments of miscellaneous investment income, business services, and personal remittances were moderately higher. An increase of over 35% in immigration in 1966 and a sharp reduction in the number of Canadians going to the United States for permanent residence under new immigration regulations were factors in the \$27 million expansion in net receipts of migrants' funds and inheritances. Government expenditures, other than official contributions, changed from a deficit to a surplus, owing largely to outlays in 1966 on the construction of foreign pavilions at the Expo 67 site.

Canada's current deficit with the United States rose \$93 million or more than 8% from \$1,119 million to \$1,212 million, and the current account surplus with the United Kingdom narrowed nearly 10% from \$247 million to \$223 million, with both trade and non-merchandise transactions contributing to the deterioration with each of the two countries. Canada's surplus with other countries just about doubled from \$117 million to \$233 million in the first half of 1966.

	Capital Movements				
	1965			1966	
	II Q	III Q	IV Q	I Q	II Q
	(millions of dollars)				
Foreign direct investment in Canada.....	+ 126	+ 96	+ 113	+ 110	+ 155
Canadian direct investment abroad.....	-	- 53	- 28	- 20	- 40
Net sales of Canadian securities.....	+ 81	+ 247	+ 174	+ 442	+ 130
Net purchases of foreign securities.....	- 8	- 23	- 15	- 70	- 90
Bank balances and other short-term funds abroad (excluding official reserves).....	+ 141	- 74	- 99	- 165	- 8
Finance company short-term paper borrowings.....	- 2	- 61	- 65	+ 16	- 6
All other capital movements.....	+ 23	+ 58	+ 286	- 48	+ 94
Net capital inflow.....	+ 361	+ 190	+ 366	+ 265	+ 235

The net capital inflow into Canada (apart from official monetary movements shown separately in the balance of payments statements) totalled \$235 million in the second quarter of 1966 compared with \$361 million a year earlier. As the variation in the current account deficit was not great there was a sharp swing in holdings of official monetary assets from an increase of \$1 million in the second quarter of 1965 to a decrease of \$117 million in the period under review.

Sales of new issues of Canadian securities continued to provide the bulk of the inflow in long-term forms, which totalled \$179 million.

The net capital inflow for direct investment in foreign controlled enterprises in Canada rose to \$155 million, the highest quarterly level since the fourth quarter of 1962, with almost 90% of the inflow coming from the United States. Canadian direct investment abroad at \$40 million was also at a relatively high level.

The net capital inflow from Canada's international transactions in portfolio securities fell during the second quarter from the first quarter's high of \$372 million to \$40 million. Net sales of Canadian securities, at \$130 million, represented a decline of \$312 million from the high level of \$442 million reached in the March quarter.

New issues of Canadian securities continued to play the major role in this capital movement but the inflow contracted to \$347 million from the peak level of \$579 million of the first quarter. Transactions in outstanding Canadian securities during the second quarter produced an enlarged net outflow of \$67 million, which included a significant increase to \$43 million for the repatriation of foreign-held Canadian equities. There was also an unusually large outflow of \$150 million for the retirement of Canadian securities.

Transactions in foreign securities led to an outflow of \$90 million, or some \$20 million higher than the already large outflow of \$70 million in the first quarter.

Other capital flows in long-term forms were on balance inwards to the amount of \$24 million in the second quarter, net repayments to Canada of export credits being the largest element.

Capital movements in short-term forms led to a net inflow of \$56 million in the second quarter of 1966, being mainly net increases in loans and accounts payable. In the previous quarter a net outflow of \$165 million reflected large increases in private holdings of foreign exchange.

*2. Corporation Profits Seasonally adjusted, profits before taxes decreased slightly by less than 1% from a revised \$1,342 million in the first quarter of 1966 to \$1,330 million in the second quarter of 1966. At a seasonally adjusted rate of \$626 million (also revised), profits in manufacturing industries showed a decrease of 4.3% from the first quarter of 1966. In the other industries, excluding mining, profits increased to \$573 million from \$565 million.

	Seasonally Adjusted			Not Seasonally Adjusted		
	1965	1966		1965	1966	
	4Q	1Q	2Q	4Q	1Q	2Q
	millions of dollars					
Mines, Quarries and Oil Wells.....	152	151	158	158	133	164
Manufacturing Industries:						
Food and Beverage Industries....	92	99	88	103	84	78
Rubber.....	10	9	8	12	3	12
Textile Industries.....	20	25	14	27	24	14
Wood Industries.....	35	52	39	29	28	35
Paper and Allied Industries.....	50	38	54	53	31	60
Printing, Publishing & Allied Industries.....	20	23	21	19	23	26
Primary Metal Industries.....)				57	57	55
Metal Fabricating Industries.....)				57	29	41
Machinery Industries.....)	192	198	190	43	48	48
Transportation Equipment Industries.....)				35	80	103
Electrical Products Industries..	31	30	30	43	22	28
Non-Metallic Mineral Products Industries....	24	21	22	27	6	24
Petroleum & Coal Products Industries...	30	37	48	37	36	41
Chemical & Chemical Products Industries...	56	65	59	48	50	74
Other Manufacturing Industries ¹	28	29	26	35	25	26
TOTALS.....	588	626	599	625	546	665
Transportation.....)				115	25	89
Storage.....)	156	120	144	5	1	2
Communication.....)				58	51	49
Electric Power, Gas & Water Utilities	25	23	23	24	44	21
Wholesale Trade.....	104	121	103	115	88	115
Retail Trade.....	77	80	66	113	51	68
Finance, Insurance & Real Estate.	159	154	164	140	136	193
Service Industries.....	38	52	49	31	42	54
Other Non-Manufacturing ²	26	15	24	21	7	29
TOTALS, All Industries...	1,325	1,342	1,330	1,405	1,124	1,449

1 Includes Tobacco, Leather and Miscellaneous Manufacturing Industries.

2 Includes Agriculture, Forestry, Fishing and Construction

3. Steel Ingots & Pig Iron Production of steel ingots declined in August to 724,094 tons from last year's corresponding total of 863,344 tons, while January-August output rose to 6,675,743 tons from 6,562,246. The month's output of pig iron was also lower, falling to 535,808 tons from 634,605 a year earlier, while the eight-month total rose to 4,852,408 tons from 4,684,092.
- *4. Steel Ingots Production of steel ingots during the week ending September 14 amounted to 188,160 tons, an increase of 11.3% over the preceding week's 169,007 tons. Output in the corresponding week last year was 194,928 tons. The index of production, based on the average weekly output during 1957-59 of 96,107 tons equalling 100, was 196 in the current week, 176 a week earlier and 202 a year ago.
- *5. Manufacturers' Shipments, Inventories and Orders Manufacturers' shipments in July, at an estimated value of \$2,870.1 million, showed a decrease of 12.4% from the revised June estimate of \$3,276.1 million but increased by 4.4% over the July 1965 estimate of \$2,750.0 million, according to an advance release of data that will be contained in the July issue of the DBS report "Inventories, Shipments and Orders in Manufacturing Industries". Shipments in the first seven months of 1966 at an estimated value of \$21,117.8 million were 9.5% higher than the corresponding period in 1965 when the estimated value was \$19,287.1 million.

Seasonally adjusted shipments in July estimated at \$3,030.1 million were 1.2% lower than the revised June estimate of \$3,066.4 million but 6.2% higher than the July 1965 estimate of \$2,854.0 million.

Total inventory owned by manufacturers in July was estimated at \$6,003.9 million, a fractional increase over the revised June value of \$5,996.2 million but 12.4% higher than the July 1965 estimate of \$5,341.4 million. Total inventory held estimated at \$6,293.1 million was also fractionally higher than the June estimate of \$6,285.5 million and 11.6% higher than the estimated July 1965 value of \$5,641.2 million. The ratio of total inventory owned to shipments was 2.09 in July, 1.83 in revised June and 1.94 in July 1965. The finished products to shipments ratio was 0.74 in July, 0.65 in revised June and 0.70 in July 1965.

Seasonally adjusted total inventory held at \$6,358.3 million, was 9.1% higher than the revised June estimate of \$6,300.7 million and 11.6% higher than the July 1965 estimate of \$5,698.8 million.

New orders in July at an estimated value of \$2,876.1 million were 12.9% lower than the revised June estimate of \$3,301.2 million but 4.6% higher than the July 1965 estimate of \$2,750.5 million. Unfilled orders were estimated at \$3,533.1 million in July, a fractional increase over the revised June estimate of \$3,527.1 million but 18.2% higher than the \$2,989.4 million estimated in July 1965.

Seasonally adjusted new orders in July were 1.9% lower than in the revised previous month but 6.3% higher than in July 1965, while seasonally adjusted unfilled orders were fractionally lower than revised June 1966 but 18.2% higher than in July 1965.

The following table shows estimated value of shipments, inventories and orders in all manufacturing industries

	July 1966 (Preliminary)	June 1966 (Revised)	May 1966	July 1965
	Millions of dollars			
Shipments.....	2,870.1	3,276.1	3,152.8	2,750.0
Shipments (Seasonally adjusted).....	3,030.1	3,066.4	3,027.2	2,854.0
Inventory owned.....	6,003.9	5,996.2	5,989.9	5,341.4
Inventory owned (Seasonally adjusted).....	6,071.1	6,021.2	5,975.0	5,401.4
Inventory held.....	6,293.1	6,285.5	6,286.4	5,641.2
Raw materials.....	2,523.1	2,492.4	2,475.0	2,287.3
Goods in process.....	1,654.7	1,678.9	1,700.6	1,420.8
Finished products.....	2,115.3	2,114.2	2,110.8	1,933.1
New Orders.....	2,876.1	3,301.2	3,193.5	2,750.5
New orders (Seasonally adjusted).....	3,029.5	3,086.4	3,087.6	2,849.4
Unfilled orders	3,533.1	3,527.1	3,502.0	2,989.4
Unfilled orders (Seasonally adjusted).....	3,482.3	3,482.9	3,462.9	2,947.3

Provincial Shipments: Manufacturers' shipments in July were 4.4% higher than in July a year ago with all provinces listed except Newfoundland and Nova Scotia showing increases. The increase in shipments in New Brunswick in July as compared to July 1965 was mainly due to increases in foods and beverages; in Quebec to higher values in foods and beverages, paper and allied industries, primary metals and metal fabricating industries; in Ontario to gains in primary metals, machinery industries, electrical products and chemical and chemical products industries; in Manitoba to advances in the clothing industries, primary metals and chemical and chemical products industries; in Saskatchewan to increases in foods and beverages; in Alberta to increases in wood industries and petroleum and coal products; and in British Columbia to increases in wood industries, paper and allied industries, primary metals and chemical and chemical products industries. The decrease in Newfoundland shipments was due mainly to decreases in foods and beverages, and in Nova Scotia to decreases in foods and beverages and primary metals.

Value of Shipments of Own Manufacture by Province of Origin

	July		% Change	June 1966(R)	January - July		% Change
	1966(p)	1965			1966(p)	1965	
	Millions of dollars				Millions of dollars		
Nfld.....	14.2	16.8	-15.5	14.6	95.6	97.0	- 1.4
N.S.....	45.9	46.2	- 0.6	53.6	325.7	305.6	+ 6.6
N.B.....	41.8	40.2	+ 4.0	45.7	268.7	267.5	+ 0.4
Que.....	811.2	767.4	+ 5.7	884.0	5,787.8	5,300.1	+ 9.2
Ont.....	1,447.9	1,398.6	+ 3.5	1,726.6	11,144.7	10,139.3	+ 9.9
Man.....	91.7	85.6	+ 7.1	95.3	597.8	546.9	+ 9.3
Sask.....	40.8	39.2	+ 4.1	39.7	258.2	238.9	+ 8.1
Alta.....	108.1	107.0	+ 1.0	115.5	763.8	708.9	+7.7
B.C.....	263.9	245.3	+ 7.6	296.5	1,847.0	1,657.4	+11.4
CANADA(1)	2,870.1	2,750.0	+ 4.4	3,276.1	21,117.8	19,287.1	+ 9.5

(1) Includes Prince Edward Island, the Yukon and the Northwest Territories.

(p) Preliminary. (r) Revised.

*6. Tobacco Products Cigarettes entered for consumption, as indicated by the sale of excise revenue stamps, numbered 3,907,797,045 in August, an increase of 5.7% over last year's corresponding total of 3,699,718,505, while the number of cigars entered for consumption showed a small rise to 39,878,500 from 39,655,530 a year earlier.

Cut tobacco entered for consumption declined during August to 1,572,525 pounds from 1,594,735 in the same month last year, plug tobacco to 67,969 pounds from 71,715, and snuff to 68,996 pounds from 84,006. Raw leaf tobacco increased to 67,070 pounds from 55,725.

7. Prepared Stock & Poultry Feeds Shipments of primary or concentrated stock and poultry feeds in June rose to 45,328 tons from 40,556 in the corresponding month last year, secondary or complete feeds to 486,270 tons from 423,180, and other animal feeds to 41,461 tons from 32,595. Half-year totals follow: primary or concentrated feeds, 287,752 tons (247,504); secondary or complete feeds, 2,995,419 tons (2,568,549); and other animal feeds, 257,734 tons (239,115).

8. Production Of Motor Vehicles Production of motor vehicles in August rose to 12,019 units from last year's corresponding total of 8,228 units, bringing the January-August total to 598,829 units versus 552,701 a year earlier. Passenger car output increased to 8,205 units in the month from 5,948 a year ago and in the eight months to 469,853 units from 461,470. Commercial vehicle output rose to 3,814 units in August from 2,280 and to 128,976 units in the eight months from 91,231.

9. Motor Vehicle Shipments Factory shipments of Canadian-made motor vehicles in July numbered 59,132 units, a small decrease from last year's corresponding total of 59,542 units. There were decreases in April and May and increases in the January-March period, resulting in a rise in shipments in the seven months of 8% to 575,121 units from 531,763 a year earlier.

*10. Veneers & Plywoods Shipments of veneers rose 25% in June to 169,165 M square feet from 135,238 M in the corresponding month last year, while shipments of plywoods rose 5% to 199,848 M square feet from 191,132 M, according to an advance release of data that will be contained in the June issue of the DBS report "Peeler Logs, Veneers and Plywoods." End-of-June stocks of veneers were up 21% to 137,261 M square feet from 113,346 M, while stocks of plywoods were down 34% to 127,918 M square feet from 192,524 M.

11. Asphalt Roofing Producers' shipments of asphalt shingles rose to 376,521 roof squares in July from last year's corresponding total of 347,946 roof squares, placing January-July shipments at 1,700,406 roof squares as compared to 1,563,364. July shipments of smooth surfaced roll roofing amounted to 77,364 roof squares (80,876 a year earlier); mineral surfaced roll roofing, 80,579 roof squares (78,963); and roll-type sidings, 13,527 roof squares (10,502).

12. Floor Tile Production of vinyl-asbestos floor tile in July rose to 9,244,656 square feet from 7,597,800 in the corresponding month last year, bringing output in the January-July period to 116,642,701 square feet as compared to 105,402,035 in the like 1965 period.

6. Sales Of Clay Products Producers' sales of products made from Canadian clays were valued at \$4,352,684 in June, an increase of 1.4% over last year's corresponding total of \$4,295,028. This brought January-June sales to \$19,073,335, larger by 9.5% than last year's \$17,410,916. Sales of building brick in June were valued at \$2,710,859 (\$2,690,370 in June last year), placing the half-year value at \$12,176,701 (\$10,692,220).
7. Gypsum Products Output of gypsum products in July this year included the following: wallboard, 40,225,396 square feet (45,591,273 in July last year); lath, 17,574,599 square feet (24,527,065); sheathing, 1,678,851 square feet (1,056,065); and plasters, 21,247 tons (24,566).

EXTERNAL TRADE

15&16 Commodity Imports Canada's commodity imports in March were valued at \$830,767,000, an increase of 14% over last year's corresponding total of \$729,865,000. This brought the January-March value to \$2,205,606,000, up 20% from the year-earlier value of \$1,840,342,000. Among major sources there were increased purchases from the United States, the United Kingdom, Federal Republic of Germany, Japan, Venezuela, France and Italy. Motor vehicle parts, engines and engine parts, crude petroleum, organic chemicals, nickel and alloys were among the commodities registering increased values during the month, while steel plates, sheet and strip, new wheel tractors, and aircraft were lower in value.

Imports from the United States in March were valued at \$621,407,000 (\$539,363,000 in the corresponding month last year); United Kingdom \$57,989,000 (\$53,389,000); Venezuela, \$20,739,000 (\$20,318,000); Japan \$19,645,000 (\$17,276,000); Federal Republic of Germany, \$16,216,000 (\$15,878,000); France, \$7,735,000 (\$4,610,000); Italy, \$7,481,000 (\$5,323,000); Sweden, \$5,518,000 (\$4,240,000); Mexico, \$5,408,000 (\$3,455,000); and Switzerland, \$4,841,000 (\$2,897,000).

Principal commodity imports during the month included the following: motor vehicle parts, excluding engines, \$81,080,000 (\$65,612,000); crude petroleum, \$31,741,000 (\$29,227,000); passenger automobiles, \$22,161,000 (\$28,239,000); nickel and alloys, \$13,497,000 (\$3,508,000); new wheel tractors, \$12,691,000 (\$13,110,000); aircraft, complete with engines, \$10,712,000 (\$13,428,000); steel plates, sheet and strip, \$9,852,000 (\$13,341,000); motor vehicle engine parts, \$9,572,000 (\$8,742,000); organic chemicals, \$8,348,000 (\$8,146,000); motor vehicle engines, \$8,131,000 (\$2,982,000).

BUSINESS

17. Commercial Failures Business failures under the provisions of the Bankruptcy and Winding Up Acts during the second quarter of this year numbered 749 as compared with 830 in the corresponding period last year. Liabilities of bankrupt firms were estimated at \$58,690,000 in comparison with \$52,274,000 in the same quarter last year. In the first half of this year there were 1,572 insolvencies with liabilities totalling \$123,396,000 as compared to 1,781 with liabilities of \$111,088,000 in the same period last year.

18. Labour Force - Employment, Unemployment An estimated 7,577,000 persons were employed in August. The increase of 34,000 from July was above average for this time of year. Unemployment decreased by 16,000 to 228,000, a normal decline for this period.

During the past several months, the labour force has continued to show strength. Between July and August, the increase in the total labour force amounted to 18,000, which compares with an average decrease of 21,000 for the corresponding period of the past five years.

The estimated labour force, at 7,805,000, was 315,000, or 4.2% higher than a year earlier. Employment was up 298,000, or 4.1% over the year. Unemployment was 17,000 higher than a year earlier.

Employment: Non-farm employment, at 6,928,000, was 40,000 higher than in July. On average, over the past five years, non-farm employment showed a slight decrease between July and August. More than half of the additional jobs during the month were in manufacturing.

Compared with a year earlier, non-farm employment was up by 383,000, or 5.9%. The largest gains were in community, business and personal service and in manufacturing; there were also substantial increases in construction and trade. Farm employment, at 649,000, was 85,000 lower than a year earlier.

All regions contributed to the year-to-year increase in employment. The largest relative gains occurred in British Columbia and Quebec which showed advances of 6.0% and 5.9%, respectively.

Unemployment: Unemployment decreased by an estimated 16,000 between July and August. The decline was concentrated among persons 14-19 years of age and reflected reduced participation by students who were temporarily in the labour force during the summer months.

The August unemployment estimate of 228,000 was 17,000 higher than a year earlier. All of the increase was among women; the number of unemployed men remained unchanged from a year earlier.

About four-fifths, or 185,000, of the total number of unemployed had been seeking work for three months or less. Some 18,000 had been seeking work from four to six months, and 25,000 for seven months or more.

Unemployment in August represented 2.9% of the labour force, compared with 2.8% in August 1965 and 3.4% in August 1964. Seasonally adjusted, the August 1966 unemployment rate was 4.0%.

M E R C H A N D I S I N G

19. Department Store Sales Department store sales during the week ending September 3 were valued 0.4% lower than in the corresponding week last year. Sales declined 4.2% in the Atlantic Provinces, 3.4% in Ontario, 3.1% in Manitoba, and 11.6% in Saskatchewan, and increased 1.0% in Quebec, 2.7% in Alberta and 8.3% in British Columbia.

20. Department Store Sales Department store sales in June reached a value of \$156,836,000, larger by 10.3% than last year's corresponding total of \$142,133,000, bringing the total for the January-June period to \$869,465,000, up 8.8% from \$799,207,000 in the same 1965 period. End-of-June inventories were valued 9.0% higher than a year ago at \$482,253,000 as compared to \$442,284,000 a year earlier.

All provinces shared in the sales advance in the half-year period. The totals follow: Atlantic Provinces, \$56,712,000 (\$53,702,000 a year ago); Quebec, \$158,313,000 (\$142,591,000); Ontario, \$297,435,000 (\$275,007,000); Manitoba, \$68,900,000 (\$65,302,000); Saskatchewan, \$35,509,000 (\$34,163,000); Alberta, \$94,860,000 (\$86,028,000); and British Columbia, \$157,735,000 (\$142,415,000).

21. Steel Warehousing Sales by firms which account for approximately 90% of Canada's steel warehousing business included the following items in July: concrete reinforcing bars, 7,564 tons (8,348 in July last year); other hot rolled bars, 10,532 tons (11,672); plates, 18,301 tons (21,084); sheet and strip, 19,690 tons (20,884); galvanized sheet and strip, ternplate, 8,622 tons (7,941); heavy structural beams, 10,993 tons (10,474); bar size structural shapes, 5,739 tons (6,617); and other structural shapes, 8,376 tons (8,149).

*22. Major Appliances July sales of major appliances included 25,067 electric ranges, 830 electric wall ovens, 829 electric drop-in ranges, and gas ranges and ovens valued at \$352,121, DBS reports.

A G R I C U L T U R E & F O O D

23. Sugar Production & Sales Production of refined beet and cane sugar in July rose to 129,745,000 pounds from last year's corresponding total of 115,020,000 pounds, bringing the total for the January-August period to 970,753,000 pounds versus 888,670,000. Sales were also higher, rising to 187,853,000 pounds in July from 178,068,000 and to 1,144,185,000 pounds in the cumulative period from 1,087,353,000. Stocks in companies' hands at the end of July were little changed from a year earlier at 199,916,000 pounds versus 202,222,000. Meltings and sales of raw cane and beet sugar were larger in July at 123,185,000 pounds versus 113,188,000 a year earlier and at 966,673,000 pounds in the cumulative period versus 897,058,000.

24. Dairy Factory Production Production of creamery butter was lower in August and the first eight months of this year than last, while the output of cheddar cheese increased in both periods. The month's output of creamery butter amounted to 39,352,000 pounds versus 39,924,000 in the same month last year, bringing the eight-month total to 235,408,000 pounds versus 240,855,000. August's output of cheddar cheese amounted to 18,566,000 pounds versus 17,823,000, placing the eight-month total at 108,446,000 pounds versus 102,702,000. Evaporated whole milk powder production totalled 31,566,000 pounds in the month versus 30,966,000 a year ago, and 218,195,000 pounds in the eight months versus 222,934,000. Output of skim milk powder stood at 31,549,000 pounds in August versus 26,523,000, and at 182,168,000 pounds in the eight months versus 160,339,000.

***25. Production and Inventory of Margarine and Margarine Oils**

1966	Produced during month		Inventory at end of month	
	Packaged	Bulk Oils	Packaged	Bulk Oils
July ^r	8,963,155	3,422,610	5,105,145	377,176
August	11,481,299	4,795,870	5,354,384	277,915

r Revised figures

26. Stock Of Dairy & Poultry Products Cold storage holdings of creamery butter and evaporated whole milk were smaller on September 1 this year than last, while stocks of cheddar cheese, skim milk powder and poultry were larger. September 1 stocks were as follows: creamery butter, 81,899,000 (104,112,000); cheddar cheese, 74,447,000 pounds (72,880,000); evaporated whole milk, 54,463,000 (56,422,000); skim milk powder, 77,762,000 (44,339,000); and poultry, 36,051,000 (31,264,000).

27. Stocks Of Meat & Lard Stocks of meat at September 1 this year totalled 68,971,000 pounds as compared to 72,522,000 a month earlier and 74,053,000 at the same time last year. First-of-September stocks of cold storage (frozen) meat amounted to 47,332,000 pounds (42,088,000 a year ago); fresh meat, 16,001,000 pounds (24,593,000) and cured meat, 5,638,000 pounds (7,372,000).

28. Stocks of Fruit & Vegetables Stocks of fruit, frozen and in preservatives in storages and factories on September 1 amounted to 65,822,000 pounds as compared to 53,021,000 at the same time last year, while the holdings of vegetables, frozen and in brine, totalled 74,942,000 pounds as compared to 88,910,000.

*29. Skim Milk Powder Production of instant skim milk powder, packed in consumer-size containers of one to 24 pounds, increased 12.0% in August to 2,530,088 pounds from 2,258,141 in the corresponding month last year, while the total for the January-August period climbed 10.1% to 24,479,303 pounds from 22,227,547. Stocks on hand at the end of the period were 3,681,149 pounds, up 1.5% from 3,627,621 a year earlier.

*30. Process Cheese Production of process cheese from a cheddar or other hard or cream cheese base increased 10.3% in August to 6,501,639 pounds from last year's corresponding total of 5,894,008 pounds, bringing output in the January-August period to 52,907,577 pounds, up 10.4% from 47,935,072 a year ago. Stocks on hand at the end of August were up sharply (44.7%) to 6,026,388 pounds from 4,165,367.

*31. Marshmallows Production of marshmallows in the second quarter of this year amounted to 3,597,679 pounds versus 3,806,396 in the same period last year, bringing the total for the first six months this year to 6,794,761 pounds versus 6,448,916.

32. Soft Drinks Canadian manufacturers produced 24,191,092 gallons of soft drinks in July, an increase of 26% over last year's corresponding total of 19,158,481 gallons. This brought January-August production to 123,318,641 gallons, up 16% from 106,380,189 gallons for the same period last year.

*33. Fish Landings in the Maritimes, August 1966

Major Species	Quantity '000 lb.	Value \$'000
Groundfish		
Cod.....	14,387	717
Lingcod.....	-	-
Haddock.....	7,602	535
Pollock.....	1,589	67
Hake.....	3,977	127
Redfish.....	10,762	340
Halibut.....	163	62
Flounders and Soles.....	8,841	321
Other unspecified.....	1,645	40
TOTAL.....	48,966	2,209
Pelagic & Estuarial		
Herring.....	22,675	498
Mackerel.....	3,309	89
Salmon.....	172	101
Swordfish.....	720	285
Other Unspecified.....	435	7
TOTAL.....	27,311	980
Molluscs & Crustaceans		
Crabs.....	-	-
Lobster.....	1,799	932
Oysters.....	-	-
Scallops.....	1,672	649
Other unspecified.....	773	44
TOTAL.....	4,244	1,625
TOTAL - ALL SPECIES.....	80,521	4,814

P R I C E S

*34. Weekly Security Price Indexes

	Number Stocks Priced	Sept.15 1966	Sept.8 1966	Aug.18 1966
(1956 = 100)				
<u>Investors Price Index</u>				
Total index	114	154.0	151.8	158.0
Industrials	80	159.6	156.8	164.1
Utilities	20	152.1	152.0	155.4
Finance(1)	14	128.6	126.7	131.0
Banks	6	123.7	121.0	126.2
<u>Mining Stocks Price Index</u>				
Total index	24	108.8	107.6	113.9
Golds	16	135.8	133.8	142.4
Base metals	8	94.0	93.3	98.3
<u>Supplementary Indexes</u>				
Uraniums	6	190.1	184.5	194.1
Primary oils and gas	6	112.6	109.4	108.4

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

35. Iron Ore Canadian producers shipped 3,513,121 tons of iron ore in July, a one-third drop from last year's corresponding total of 5,198,525 tons, while the total for the January-July period fell 11% to 18,998,267 tons from 21,247,643 a year earlier. Month-end stocks were approximately double last year's at 6,861,547 tons versus 3,350,570. Shipments of ore to Canadian consumers were up in the month to 712,421 tons from 558,385 a year ago and in the seven months to 3,-200,867 tons from 2,352,008. Ores shipped for export were smaller in the month at 2,800,700 tons versus 4,640,140 and also in the seven months at 15,797,400 tons versus 18,895,635.
36. Gold Production Gold production in June declined 14% to 262,435 troy ounces from last year's corresponding total of 306,730, bringing output for the first six months this year to 1,686,425 troy ounces, smaller by 7.5% than last year's 1,823,337. Production totals for the provinces in the half-year period: Atlantic Provinces, 13,753 troy ounces (11,528 a year ago); Quebec, 470,282 (448,348); Ontario, 871,886 (1,009,140); Prairie Provinces, 50,814 (61,594); British Columbia, 62,788 (70,069); Yukon, 494 (2,801); and the Northwest Territories, 216,408 (219,857).
37. Asbestos Canadian producers shipped 116,626 tons of asbestos in July, 6.5% more than in the corresponding month last year when the total was 109,466 tons. This brought January-July shipments to 783,049 tons, larger by 16% than last year's 674,554 tons. Quebec shipments amounted to 109,157 tons in July (97,624 a year ago), and 714,512 tons in the seven-month period (607,193).
- 38&39 Minerals Production of copper, nickel, lead and zinc was higher in June than in the corresponding month last year, while the output of silver was lower. Month's totals follow: copper, 47,658 tons (41,754 in June last year); nickel, 21,755 tons (21,495); silver, 2,693,684 fine ounces (2,884,174); lead, 32,098 tons (27,093); and zinc, 94,979 tons (76,879). Half-year totals: copper, 254,614 tons (249,678); nickel, 132,896 (134,976); silver, 15,725,156 fine ounces (15,129,674); lead, 160,957 tons (155,018); and zinc, 508,281 tons (457,989).

T R A N S P O R T A T I O N

- *40 Intercity Passenger-Miles by Mode The following table presents estimates of
Of Transport, Canada, 1949 to 1965 passenger-miles performed by passenger
 automobile, intercity bus, air and rail
 for the seventeen-year period from 1949 to 1965 inclusive.

Total passenger-miles in 1965 numbered 62,804,000,000, which is an increase of 7.6% over the previous year's total of 58,355,000,000 passenger-miles.

Passenger-miles performed by passenger automobiles increased at the same rate as total passenger-miles. Intercity bus passenger-miles increased by 9%, while air expanded by 14.3%. Rail passenger-miles, however, dropped slightly.

The percentage of total passenger-miles performed by motor vehicles in 1965 remained constant. Air's share of total passenger-miles increased by the same percentage as the rail segment decreased.

Intercity Passenger-Miles Performed In Canada By Type Of Carrier, 1949-1965

Year	Passenger Automobiles	Intercity Bus	Total Motor Vehicles	Air (1)	Rail (2)	Grand Total
Millions of Passenger Miles						
1949 ...	15,695	3,327	19,022	385	3,193	22,600
1950 ...	17,364	3,386	20,750	445	2,816	24,011
1951 ...	20,521	3,459	23,980	555	3,110	27,645
1952 ...	23,699	3,258	26,957	679	3,151	30,787
1953 ...	26,180	3,217	29,397	787	2,986	33,170
1954 ...	27,842	2,857	30,699	862	2,863	34,424
1955 ...	30,227	2,801	33,028	995	2,892	36,915
1956 ...	33,250	2,725	35,975	1,240	2,908	40,123
1957 ...	34,347	2,593	36,940	1,405	2,925	41,270
1958 ...	36,522	2,446	38,968	1,585	2,486	43,039
1959 ...	39,095	2,532	41,627	1,886	2,446	45,959
1960 ...	41,351	2,593	43,944	2,143	2,264	48,351
1961 ...	42,990	2,654	45,644	2,519	1,961	50,124
1962 ...	44,845	2,713	47,558	2,708	2,019	52,285
1963 ...	47,180	2,862	50,042	2,826	2,070	54,938
1964 ...	49,679	2,886	52,565	3,109	2,681	58,355
1965 ...	53,438	3,147	56,585	3,555	2,664	62,804

Percentage Distribution

1949 ...	69.5	14.7	84.2	1.7	14.1	100.0
1950 ...	72.3	14.1	86.4	1.9	11.7	100.0
1951 ...	74.2	12.5	86.7	2.0	11.3	100.0
1952 ...	77.0	10.6	87.6	2.2	10.2	100.0
1953 ...	78.9	9.7	88.6	2.4	9.0	100.0
1954 ...	80.9	8.3	89.2	2.5	8.3	100.0
1955 ...	81.9	7.6	89.5	2.7	7.8	100.0
1956 ...	82.9	6.8	89.7	3.1	7.2	100.0
1957 ...	83.2	6.3	89.5	3.4	7.1	100.0
1958 ...	84.8	5.7	90.5	3.7	5.8	100.0
1959 ...	85.1	5.5	90.6	4.1	5.3	100.0
1960 ...	85.5	5.4	90.9	4.4	4.7	100.0
1961 ...	85.8	5.3	91.1	5.0	3.9	100.0
1962 ...	85.8	5.2	91.0	5.2	3.8	100.0
1963 ...	85.9	5.2	91.1	5.1	3.8	100.0
1964 ...	85.1	5.0	90.1	5.3	4.6	100.0
1965 ...	85.1	5.0	90.1	5.7	4.2	100.0

(1) Includes passenger-miles performed by foreign carriers licenced to operate in Canada.

(2) Includes railway commuter services, which accounts for approx. 5% of total rail passenger-miles

41. Carloadings A nation-wide railway strike involving the Canadian National, the Canadian Pacific and six smaller lines, went into effect at noon August 26 and continued into the period under review. Consequently, loadings for the seven days ending September 7 totalled 42,181 cars.

From January 1 to September 7 freight carloadings in Canada increased 2.6% to 2,698,899 cars from the preceding 1965 period. Among commodities contributing to the year-to-date increase were: wheat, 239,917 cars (versus 171,814 in 1965); pulpwood, 105,144 (96,982); and fertilizers, 58,888 (49,088). Items requiring fewer cars included: iron ore, 291,248 (311,636); building sand, gravel and crushed stone, 93,860 (109,896); gasoline, 54,150 (61,683); and miscellaneous carload commodities, 304,886 (323,466).

Piggyback loadings by railways in Canada continued a downward trend established during the strike of some 50 trucking companies in Ontario between January 20 and May 1. As a result, such loadings to September 7 aggregated 128,006 cars, down 17.2% from the similar year-earlier period.

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. Quarterly Estimates of the Canadian Balance of International Payments, Second Quarter 1966 (67-001), 50¢/\$2.00
- *2. Corporation Profits, Second Quarter 1966
3. Steel Ingots & Pig Iron, August 1966 (41-002), 10¢/\$1.00
- *4. Steel Ingots, September 14, 1966
- *5. Manufacturers' Shipments, Inventories & Orders, July 1966
- *6. Tobacco Products, August 1966
7. Shipments of Prepared Stock & Poultry Feeds, June 1966 (32-004), 30¢/\$3.00
8. Preliminary Report on the Production of Motor Vehicles, August 1966 (42-001), 10¢/\$1.00
9. Motor Vehicle Shipments, July 1966 (42-002), 10¢/\$1.00
- *10. Veneers & Plywoods, June 1966
11. Asphalt Roofing, July 1966 (45-001), 10¢/\$1.00
12. Asphalt & Vinyl-Asbestos Floor Tile, July 1966 (47-001), 10¢/\$1.00
13. Products Made From Canadian Clays, June 1966 (44-005), 10¢/\$1.00
14. Gypsum Products, July 1966 (44-003), 10¢/\$1.00
15. Summary of Foreign Trade, March 1966 (65-001), 10¢/\$1.00
16. Summary of Imports, March 1966 (65-005), 20¢/\$2.00
17. Commercial Failures, Second Quarter 1966 (61-002), 25¢/\$1.00
18. The Labour Force, August 1966 (71-001), 20¢/\$2.00
19. Department Store Sales by Regions, September 3, 1966 (63-003), \$2.00
20. Department Store Sales & Stocks, June 1966 (63-002), 10¢/\$1.00
21. Monthly Survey of Steel Warehousing, July 1966 (63-010), 10¢/\$1.00
- *22. Major Appliances, July 1966
23. The Sugar Situation, July 1966 (32-013), 10¢/\$1.00
24. Dairy Factory Production, August (32-002), 10¢/\$1.00
- *25. Production & Inventory of Margarine & Margarine Oils, August 1966
26. Stocks of Dairy & Poultry Products, September 1, 1966 (32-009), 20¢/\$2.00
27. Stocks of Meat & Lard, September 1, 1966 (32-013), 30¢/\$3.00
28. Stocks of Fruit & Vegetables, September 1, 1966 (32-010), 20¢/\$2.00

- *29. Skim Milk Powder, August 1966
- *30. Process Cheese, August 1966
- *31. Marshmallows, June and First Half, 1966
- 32. Monthly Production of Soft Drinks, July 1966 (32-001), 10¢/\$1.00
- *33. Fish Landings, Maritimes, August 1966
- *34. Weekly Security Price Indexes, September 15, 1966
- 35. Iron Ore, July 1966 (26-005), 10¢/\$1.00
- 36. Gold Production, June 1966 (26-004), 10¢/\$1.00
- 37. Asbestos, July 1966 (26-001), 10¢/\$1.00
- 38. Copper & Nickel Production, June 1966 (26-003), 10¢/\$1.00
- 39. Silver, Lead & Zinc Production, June 1966 (26-008), 10¢/\$1.00
- *40. Intercity Passenger-Miles by Mode of Transport, Canada, 1949 to 1965
- 41. Carloadings, September 7, 1966 (52-001), \$3.00

- Grain Statistics Weekly, August 24, 1966 (22-004), \$3.00 a year
- Fish Freezings & Stocks, July 1966 (24-001), 20¢/\$2.00
- Primary Iron & Steel, June 1966 (41-001), 30¢/\$3.00
- Prices & Price Indexes, June 1966 (62-002), 40¢/\$4.00
- Particle Board, July 1966 (36-003), 10¢/\$1.00
- Domestic Washing Machines & Clothes Dryers, July 1966 (43-002), 10¢/\$1.00
- Railway Operating Statistics, April 1966 (52-003), 10¢/\$1.00
- Motor Vehicle Manufacturers, 1964 (42-209), 50¢
- Soft Drink Manufacturers, 1964 (32-208), 50¢
- 1961 Census of Canada: Wholesale Trade -- Establishment General Statistics (97-514), 75¢
- Civil Aviation, Preliminary Annual, 1965 (51-201), 50¢
- Specified Chemicals, June 1966 (46-002), 10¢/\$1.00
- Grain Statistics Weekly, August 31, 1966 (22-004), \$3.00 a year
- Coal & Coke Statistics, June 1966 (45-002), 20¢/\$2.00
- Truck Body & Trailer Manufacturers, 1964 (42-217), 50¢
- Production, Shipments & Stocks on Hand of Sawmills East of the Rockies, June 1966 (32-002), 20¢/\$2.00
- Domestic Refrigerators & Freezers, July 1966 (43-001), 10¢/\$1.00
- Quarterly Stocks & Consumption of Unmanufactured Tobacco, June 1966 (32-014), 50¢/\$2.00

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