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**Balance of Payments:** High levels of exports in the third quarter contributed to an unusually large surplus from merchandise transactions. Although the deficit from non-merchandise was also larger, the current account surplus in the quarter, normally a period of strength, rose to \$128,000,000 compared with \$36,000,000 a year earlier. Non-merchandise payments included greatly enlarged contributions of official aid which also influenced the level of exports. (Page 2)

**External Trade:** Preliminary trade estimates place Canada's export balance for the January-October period at \$303,300,000, four times higher than 1965's corresponding export balance of \$71,500,000. Exports during this period were valued at \$8,374,500,000, (\$7,022,800,000 during the same period last year) and imports at \$8,071,200,000, (\$6,951,300,000). (Page 7)

**Merchandising:** Department store sales in Canada rose 3.1% during the week ending December 3. Sales of new farm implements and equipment, including repair parts, were valued (at wholesale) in 1964 at \$426,966,661, up 12.3% from the 1965 total of \$380,132,718. (Page 8)

**Corporations:** Seasonal adjusted corporation profits before taxes decreased 7.6% to \$1,229,000,000 in the third quarter of 1966 from \$1,330,000,000 in the second quarter. (Page 9)

**Manufacturing:** Manufacturers' shipments in October were estimated at \$3,164,800,000, a slight decrease of 0.3% from the revised September estimate of \$3,173,300,000 but 6.0% higher than the October 1965 estimate of \$2,985,000,000. (Page 9)

**Food & Agriculture:** Stocks of fruit, frozen and in preservatives, in storage and factories on December 1 totalled 60,711,000 pounds as compared with last year's corresponding total of 51,915,000 pounds. (Page 13)

**Transportation:** Revenue freight during the first seven days of December declined 5.3% from the previous year period to 75,237 cars, and during the cumulative period increased 1.9% to 3,805,876. (Page 14)

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1. Balance of International Payments High levels of exports in the third quarter contributed to an unusually large surplus from merchandise transactions. Although the deficit from non-merchandise was also larger, the current account surplus in the quarter, normally a period of strength, rose to \$128 million compared with \$36 million a year earlier. Non-merchandise payments included greatly enlarged contributions of official aid which also influenced the level of exports.

After adjustment for seasonal factors, which are unfavourable in the second quarter but favourable in the third, the current account deficit widened from \$233 million to \$256 million at quarterly rates. Capital movements in long-term forms produced a sizable surplus, although recurring elements tended to be smaller than usual. There were large outflows of capital in short-term forms, and official monetary assets fell. Disputes in the transportation industry in Canada and elsewhere, both in the third and preceding quarters, influenced many of these items in a variety of ways.

Summary Statement

	1965		1966		
	III Q	IV Q	I Q	II Q	III Q
	millions of dollars				
Merchandise exports.....	2,263	2,465	2,212	2,586	2,685
Merchandise imports.....	2,102	2,442	2,214	2,579	2,354
Merchandise trade balance....	+ 161	+ 23	- 2	+ 7	+ 331
Non-merchandise receipts.....	923	643	531	680	982
Non-merchandise payments.....	1,048	1,030	930	1,030	1,185
Deficit on non-merchandise, transactions.....	- 125	- 387	- 399	- 350	- 203
Current account balance.....	+ 36	- 364	- 401	- 343	+ 128
Capital movements(1).....	+ 190	+ 366	+ 262	+ 226	- 213
Long-term forms.....	+ 216	+ 235	+ 433	+ 198	+ 221
Short-term forms.....	- 26	+ 131	- 171	+ 28	- 434
Change in official holdings of gold, foreign exchange, and net balance with International Monetary Fund.....	+ 226	+ 2	- 139	- 117	- 85

(1) Excluding change in official exchange holdings.

Current Transactions in the Nine Months At \$616 million, Canada's deficit for the first three quarters of 1966 on transactions in current goods and services with other countries was \$103 million or roughly 14% lower than the total of \$719 million for the same period of 1965. The nine-month total for 1966 was considerably higher than the deficits of \$278 million and \$409 million for the first three quarters of 1964 and 1963, respectively, but lower than in the immediately preceding years. The narrowing in the current account deficit in 1966 was wholly attributable to the expansion in the merchandise trade surplus, as the deficit on non-merchandise transactions widened. The favourable development resulted from an improvement in Canada's current surplus with other countries which was over twice the magnitude of the combined deterioration in the balances with the United States and United Kingdom.

The surplus on merchandise trade for the first three quarters of 1966 of \$336 million was about 3 1/2 times as large as \$95 million for the same period of 1965. Merchandise exports (adjusted for balance of payments use) gained \$1,203 million, or 19%, from \$6,280 million to \$7,483 million. The expansion in merchandise imports was smaller: \$962 million or 15 1/2% from \$6,185 million to \$7,147 million in the nine months of 1966.

Of the rise in merchandise exports of \$1,203 million, about \$215 million, or 18%, was attributable to shipments of wheat. Increases in excess of \$150 million arose from the Russian account; and shipments to Mainland China and to India (under the bilateral food aid programme) were larger, respectively, by roughly \$64 million and \$48 million. Decreases in wheat exports to certain other Eastern European countries exceeded \$30 million.

An increase of a further \$350 million, approximately, originated in exports of motor vehicles and parts. Substantial gains of roughly \$200 million took place in shipments of non-ferrous metals (notably copper) and non-metallic minerals including crude petroleum and asbestos. Exports of pulp, newsprint and paper products were about \$100 million larger in the nine months of 1966, with newsprint accounting for almost three-quarters of this gain. Shipments, on the other hand, of iron ores, uranium, softwood lumber and aircraft were down in varying degrees.

On the basis of incomplete detailed tabulation of commodity details, in the neighbourhood of 70% of the rise of \$962 million in the imports was ascribable to manufactured commodities. Of this increase, transportation and communication equipment accounted for well over \$300 million, with motor vehicles and parts accounting for a preponderant share of this rise. Imports of machinery increased well over \$150 million. The balance of the addition was distributed over a wide range of commodities; but decreases were recorded in imports of iron ores and scrap, fabricated steel materials, and crude petroleum.

The average price of commodity imports was about 1 1/2% higher in the three quarters of 1966, but the average export prices were well over 3 1/2% higher. Increases were larger in each of the quarters, with the rise exceeding 4% in the September quarter.

The deficit on non-merchandise transactions widened by \$138 million, or 17%, to \$952 million in the first three quarters of 1966. Except for a substantial improvement of \$47 million in the net receipts of migrants' funds and inheritances, the balances for other "invisible" items deteriorated in varying degrees. The most notable changes were an increase of \$67 million in the net payments of interest and dividends, a rise of \$60 million in Canada's official contributions and a change of \$38 million from a small surplus on travel account to a deficit of \$35 million.

Over four-fifths of the \$38 million deterioration in the travel balance occurred in transactions with the United States, with the surplus contracting, 25% from \$123 million to \$92 million in the nine months of 1966. The travel deficit with overseas countries increased \$7 million.

Net payments of interest and dividends rose by \$67 million or 13% to \$579 million in the first nine months of 1966. Receipts of interest and dividends, at \$184 million, were \$26 million lower and reflected a reduction in dividend receipts to a more normal level following unusually large receipts during 1965. Interest and dividend payments expanded by \$42 million to \$763 million. The higher interest payments were mainly attributable to large sales of new corporate and provincial bonds to non-residents in earlier quarters.

Official contributions of \$134 million in the nine months of 1966 exceeded the comparable total of 1965 by \$60 million, or over 80%. The largest part of the increase occurred in the third quarter when Canada's foreign aid in goods and services amounted to \$87 million, nearly \$60 million of which representing shipments of wheat. At \$93 million, gold production available for export was \$11 million lower than the value for the first three quarters of 1965. Net payments on other government transactions, personal and institutional remittances, and business services were moderately higher. Net receipts of migrants' funds and inheritances expanded \$47 million to \$54 million, as immigration in the three quarters of 1966 of over 144,500 persons was a third higher than some 108,400 persons in the same period of 1965.

Total receipts from the United States for the exports of goods and services rose nearly 19% from \$5,016 million to \$5,959 million. Total payments at the same time increased from \$6,305 million to \$7,294 million, or by over 15 1/2%. With merchandise exports advancing \$886 million, or 24 1/2%, to \$4,496 million as compared with an increase of \$834 million, or 19%, in merchandise imports, the trade deficit narrowed from \$735 million to \$683 million in the three quarters of 1966. The increase of \$98 million in net payments to the United States on non-merchandise transactions from \$554 million to \$652 million was largely concentrated in interest and dividends, travel expenditures, government transactions, and in the value of gold production available for export.

The 12 1/2% contraction in the current surplus with the United Kingdom arose as a result of a small decline in total receipts from \$1,152 million to \$1,140 million and a slightly larger increase in total payments from \$771 million to \$807 million. Similar changes were reflected in merchandise trade, with the exports totalling \$872 million and \$861 million respectively in the nine months of 1965 and 1966, and the imports amounting to \$451 million and \$475 million, respectively.

The doubling of the current surplus with other countries to \$386 million resulted from a rise of \$389 million in total receipts from \$2,188 million to \$2,577 million, offset in part by an increase in total payments of \$192 million from \$1,999 million to \$2,191 million. Enlarged shipments of wheat accounted for about two-thirds of the increased exports.

Capital Movements There was a net capital outflow from Canada in the third quarter of 1966. Movements in long-term forms produced a net inflow of \$221 million, up moderately from the second quarter of 1966, and roughly comparable with a year earlier. These inward movements in the third quarter of 1966 were dominated by a major transaction in the private sector which involved offsetting outflows in short-term account. Contributing to the inflows was a net reduction of \$78 million in undelivered new issues of Canadian bonds sold to residents of the United States. As in earlier quarters of the year there were outflows in long-term forms arising from official transactions associated with the understanding in respect of an

appropriate level of Canadian reserves. Major outflows occurred from changes in private and banking holdings of exchange and from other short-term movements. Canada's official holdings of gold and foreign exchange, together with the net balance with the International Monetary Fund, fell by \$85 million.

#### Capital Movements

	1965		1966		
	III Q	IV Q	I Q	II Q	III Q
	(millions of dollars)				
Foreign direct investment in Canada.....	+ 96	+ 113	+ 110	+ 175	+ 130
Canadian direct investment abroad.....	- 53	- 28	- 20	- 40	+ 90
Net sales of Canadian securities.....	+ 247	+ 174	+ 447	+ 140	+ 115
Net purchases of foreign securities.....	- 23	- 15	- 70	- 90	- 76
Bank balances and other short-term funds abroad (excluding official reserves).....	- 74	- 99	- 165	- 9	- 296
Finance company short-term paper.....	- 61	- 65	+ 23	- 6	- 60
All other capital movements.....	+ 58	+ 286	- 63	+ 56	- 116
<b>Net capital movements.....</b>	<b>+ 190</b>	<b>+ 366</b>	<b>+ 262</b>	<b>+ 226</b>	<b>- 213</b>

The net capital inflow for direct investment in foreign-controlled enterprises in Canada fell to \$130 million in the third quarter of 1966 from the unusually high level recorded in the previous period when special transactions contributed significantly to the total. Almost 90% came from the United States. Industrial groups which received the bulk of this inflow were petroleum and natural gas, manufacturing and mining.

The normal pattern of flows in connection with Canadian direct investment abroad was reversed with a net inflow of \$90 million, dominated by a special transaction involving the sale of its foreign subsidiary by a Canadian corporation in the petroleum industry. The balance of the remaining transactions produced a capital outflow principally to the United States, the United Kingdom and Commonwealth countries.

Transactions in portfolio securities between Canada and other countries during the third quarter of 1966 resulted in a net capital inflow of \$39 million, somewhat less than the inflow of \$50 million registered in the second quarter. Net sales of Canadian issues during the quarter fell by \$25 million to \$115 million while net purchases of foreign securities declined to \$76 million from \$90 million in the second quarter.

The value of new Canadian issues sold to non-residents declined during the third quarter to \$288 million, transactions in outstanding Canadian securities during the quarter gave rise to a net capital outflow of \$83 million, \$33 million from net repurchases of foreign-held stocks and \$50 million from the repatriation of outstanding bonds and debentures. Retirements of Canadian securities, at \$90 million, returned to a more normal level following the large outflow of \$152 million in the second quarter, which included special repurchases by the Government of Canada.

The net capital outflow from transactions in foreign securities during the third quarter fell to \$76 million. Net purchases of outstanding United States common and preference stocks continued to be a major feature of trading, and produced a net capital outflow of \$50 million. The special purchase of IBRD bonds was also significant, contributing \$25 million to the outflow. Purchases of foreign new issues led to an outflow of \$5 million while retirements gave rise to an inflow of \$3 million.

Net disbursements by the Government of Canada under intergovernmental loan programmes and for subscription payments to international investment institutions aggregated \$8 million in the third quarter of 1966.

The normal pattern was re-established in the capital flows associated with the financing of exports directly or indirectly at the risk of the Government of Canada with a net outflow of \$32 million. All other transactions in long-term forms although large were largely offsetting and the net movement represented an inflow of only \$2 million.

Capital movements in short-term forms led to a net outflow of \$434 million in the third quarter compared with an inflow of \$28 million in the previous quarter.

Non-resident holdings of Canadian dollars rose by \$27 million, a swing of \$36 million from the second quarter's \$9 million decrease.

There was a net outflow of \$296 million in the third quarter to increase Canadian holdings of bank balances and other short-term funds abroad (excluding official reserves).

The net outflow from transactions in paper of Canadian finance companies (including financing subsidiaries of manufacturing and retail enterprises) increased sharply to \$60 million in the third quarter. However, increased holdings by non-residents of other finance company obligations of short-term nature resulted in a net inflow of \$32 million. International transactions in Canadian commercial paper (including bankers' acceptances) and other short-term paper (including notes of banks, mortgage loan companies and municipal and provincial governments) produced a net inflow of \$10 million. All other transactions, such as changes in loans and accounts receivable and payable led to a net outflow of \$147 million following an inflow of \$69 million in the second quarter. There are some grounds for believing that both underlying and statistical effects of strikes in producing and transportation industries in these periods may have influenced this pattern.

#### EXTERNAL TRADE

2.&3. Commodity Imports Commodity imports during August climbed 22.4% to \$808,759,000 from \$660,465,000 during the corresponding period in 1965, and 16.1% to \$6,342,015,000, during the cumulative period from \$5,462,978,000 in 1965. During 1964 August imports were valued at \$566,068,000 and January-August imports at \$4,905,421,000.

United States continues as Canada's leading supplier, followed by the United Kingdom, Japan, Federal Republic of Germany and Venezuela. Other major sources during the month were Italy, Australia, Belgium and Luxembourg, Nigeria and the Netherlands. During the month Canadians purchased more motor vehicle parts, excluding engines, aluminum ores, concentrates and scrap, coal, crude petroleum, broad woven fabrics, cotton, organic chemicals and books and pamphlets, and less fuel oil and steel plate, sheet and strip.

Purchases from the United States were valued at \$543,658,000 (\$435,564,000 in the corresponding month last year); United Kingdom, \$67,249,000 (\$51,102,000); Japan, \$22,274,000 (\$24,097,000); Federal Republic of Germany, \$20,933,000 (\$13,389,000); Venezuela, \$19,134,000 (\$25,766,000); Italy, \$9,359,000 (\$7,149,000); Australia, \$6,832,000 (\$4,086,000); Belgium and Luxembourg, \$6,615,000 (\$6,846,000); Nigeria, \$6,036,000 (\$846,000); Netherlands, \$5,695,000 (\$4,312,000).

Principal commodity imports during the month included motor vehicle parts, excluding engines, \$47,721,000 (\$34,481,000); crude petroleum, \$32,672,000 (\$29,277,000); coal \$19,755,000 (\$14,955,000); fuel oil, \$10,279,000 (\$11,034,000); steel plate, sheet and strip, \$9,313,000 (\$10,989,000); broad woven fabrics, cotton, \$9,256,000 (\$5,081,000); organic chemicals, \$9,066,000 (\$8,601,000); machine tools, metal working, \$8,909,000 (\$5,163,000); aluminum ores, concentrates and scrap, \$8,891,000 (\$8,451,000); books and pamphlets, \$8,278,000 (\$6,168,000).

4. Exports and Imports Preliminary trade estimates place Canada's export balance for the January-October period at \$303,300,000, four times higher than 1965's corresponding export balance of \$71,500,000. Exports during this period were valued at \$8,374,500,000, (\$7,022,800,000 during the same period last year) and imports at \$8,071,200,000 (\$6,951,300,000).

Estimates for October 1966 show an import balance of \$30,300,000 against October 1965's export balance of \$27,300,000. Exports during the month rose 12.5% to \$890,100,000 and imports climbed 20.5% to \$920,500,000 from \$790,900,000 and \$763,600,000 respectively during the corresponding period in 1965.

Sales to the United States soared 31.3% to \$561,300,000 during October from \$427,300,000 last year, and during the cumulative period mounted 24.0% to \$5,049,800,000 from \$4,072,600,000. Canadian imports at \$660,100,000 during the month were 23.5% higher than last year's October purchases of \$534,700,000, and during the ten-month period rose 19.3% to \$5,833,300,000 from \$4,888,400,000. October's import balance at \$98,800,000 was down from the corresponding 1965 import balance of \$107,300,000. During the January-October period the import balance declined to \$783,500,000 from \$815,800,000.

Sales to the United Kingdom during October at \$87,500,000 fell 19.6% below 1965's October total of \$109,000,000, placing the ten-month total at \$942,600,000, or 3.6% below last year's \$977,700,000. Canadian purchases edged up 0.3% from \$54,500,000 to \$54,700,000 during the month, and jumped 7.9% from \$500,100,000 to \$539,700,000 during the cumulative period. The export balance at \$32,900,000 during the month and \$402,800,000 during the ten-month period sank substantially below 1965's export balances of \$54,400,000 and \$477,500,000.

Purchases by other commonwealth and preferential rate countries hiked 10.8% to \$45,700,000 from \$41,200,000 in October and 7.2% to \$456,300,000 from \$425,500,000 during the January-October period, while Canada bought goods valued at \$48,000,000 during October, a 54.7% rise over October 1965 imports valued at \$31,000,000. Imports during the cumulative period at \$333,800,000 were 13.8% above last year's \$293,200,000. During October 1966 the import balance was \$2,300,000 against 1965's corresponding export balance of \$10,200,000, while during the cumulative period the 1966 export balance of \$122,500,000 was down from last year's \$132,300,000.

Exports to other countries shrank 8.3% to \$195,600,000 from \$213,400,000 during October, while imports rose 10.0% to \$157,700,000 from \$143,300,000. This resulted in an October export balance of \$37,900,000, a sharp drop from the 1965 same period export balance of \$70,100,000. During the cumulative period, exports soared 24.5% to \$1,925,900,000 from \$1,547,000,000, while imports increased 7.5% to \$1,364,500,000 from \$1,269,500,000. This placed the 1966 export balance at \$561,400,000, more than double 1965's corresponding period export balance of \$277,500,000.

## PRICES

\*5. Building Material Price Indexes Canada's price index of residential building materials for November 1966, increased 0.1% to 346.9 from 346.5 in October on the base 1935-39=100 and to 152.1 from 152.0 on the base 1949=100. The non-residential building materials index based on 1949=100 remained at its October level of 150.9.

## MERCHANDISING

6. Department Store Sales Department store sales in Canada rose 3.1% during the week ending December 3. Increases were reported as follows: Quebec, 0.9%; Ontario, 4.9%; Alberta, 2.3%; and British Columbia, 9.7%. Declines reported were: Atlantic Provinces, 0.9%; Manitoba, 6.0% and Saskatchewan, 0.2%.

\*7. Farm Implement and Equipment Sales, 1965 Sales of new farm implements and equipment, including repair parts, were valued (at wholesale) in 1965 at \$426,966,661, up 12.3% from the 1964 total of \$380,132,718, according to an advance release of data that will be contained in the 1965 issue of the DBS report "Farm Implement and Equipment Sales". Sales of repair parts were \$55,642,883 against \$53,156,394 in 1964, an increase of 4.7%.

Wholesale values of provincial sales of new implements and equipment, including repair parts, in 1965 were as follows: Atlantic Provinces, \$10,986,004 (\$9,788,964 in 1964); Quebec, \$38,397,718 (\$39,439,117); Ontario, \$86,451,578 (\$81,124,798); Manitoba, \$55,087,506 (\$51,107,648); Saskatchewan, \$133,266,618 (\$110,985,209); Alberta, \$93,632,404 (\$78,884,181); and British Columbia \$9,144,833 (\$8,802,801).

Sales in 1965 included the following implements and equipment (at wholesale): tractors and engines, \$122,020,656 (\$114,067,178 in 1964); ploughs, \$17,228,326 (\$15,877,587); tilling, cultivating and weeding machinery, \$23,537,198 (\$21,105,890); planting, seeding and fertilizing machinery, \$15,743,027 (\$14,447,350); haying machinery, \$29,983,805 (\$30,867,028); harvesting machinery, \$113,074,112 (\$85,644,695); machines for preparing crops for market or for use, \$12,893,469 (\$11,312,872); farm wagons, boxes and sleighs, \$4,375,814 (\$3,570,634); barn equipment, \$7,387,224 (\$7,268,241); farm dairy machinery and equipment, \$8,024,529 (\$9,341,804); spraying and dusting equipment (orchard or garden), \$2,385,260 (\$2,439,062); and pumps and irrigation equipment and miscellaneous farm equipment, \$14,670,358 (\$11,033,983).

\*8. Sales of Natural Gas Total sales of natural gas to Canadian consumers by distribution for September 1966 were 37,051,710 Mcf. This was an increase of 4.9% over the same month last year.



\*9. Corporation Profits Seasonally adjusted corporation profits before taxes decreased 7.6% to \$1,229,000,000 in the third quarter of 1966 from \$1,330,000,000 in the second quarter. At a seasonally adjusted rate of \$521,000,000, profits in manufacturing industries showed a decrease of 13% from the second quarter. In the other industries, excluding mining, profits decreased slightly by 1.4%. Mining, quarries and oil wells decreased 9.5%.

	Seasonally Adjusted			Not Seasonally Adjusted		
	1966			1966		
	1 Q	2 Q	3 Q	1 Q	2 Q	3 Q
	millions of dollars					
Mines, Quarries and Oil Wells.....	151	158	143	133	164	148
Manufacturing Industries:						
Food and Beverage Industries.....	99	88	93	84	78	105
Rubber.....	9	8	9	3	12	8
Textile Industries.....	25	14	15	24	14	11
Wood Industries.....	52	39	26	28	35	40
Paper and Allied Industries.....	38	54	38	31	60	39
Printing, Publishing & Allied Ind....	23	21	24	23	26	22
Primary Metal Industries.....				57	55	50
Metal Fabricating Industries.....				29	41	41
Machinery Industries.....	198	190	143	48	48	34
Transportation Equipment Industries..				80	103	-25
Electrical Products Industries.....	30	30	20	22	28	18
Non-Metallic Mineral Products Ind....	21	22	28	6	24	38
Petroleum & Coal Products Industries.	37	48	40	36	41	40
Chemical & Chemical Products Ind....	65	59	58	50	74	64
Other Manufacturing Industries <sup>1</sup> .....	29	26	27	25	26	25
TOTALS.....	626	599	521	546	665	510
Transportation.....				25	89	84
Storage.....	120	144	137	1	2	12
Communication.....				51	49	61
Electric Power, Gas & Water Utilities..	23	23	23	44	21	4
Wholesale Trade.....	121	103	98	88	115	96
Retail Trade.....	80	66	86	51	68	72
Finance, Insurance & Real Estate.....	154	164	159	136	193	162
Service Industries.....	52	49	38	42	54	49
Other Non-Manufacturing <sup>2</sup> .....	15	24	24	7	29	36
TOTALS, All Industries.....	1,342	1,330	1,229	1,124	1,449	1,234

1 Includes Tobacco, Leather and Miscellaneous Manufacturing Industries.

2 Includes Agriculture, Forestry, Fishing and Construction.

## MANUFACTURING

\*10. Manufacturers' Shipments, Inventories and Orders Manufacturers' shipments in October were estimated at \$3,164,800,000, a slight decrease of 0.3% from the revised September estimate of \$3,173,300,000 but 6.0% higher than the October 1965 estimate of \$2,985,000,000, according to an advance release of data that will be contained in the October issue of the DBS report "Inventories, Shipments and Orders in Manufacturing Industries". Shipments for the first ten months of 1966 totalled \$30,376,700,000, an increase of 8.6% over the estimated total of \$27,965,200,000 for the same period in 1965. Seasonally adjusted shipments were estimated at 3,092,900,000 in October, an increase of 2.6% over the revised September estimate of \$3,014,400,000 and 5.9% higher than the October 1965 estimated value of \$2,921,500,000.

Total inventory owned by manufacturers in October, at an estimated value of \$6,186,800,000, was 0.7% higher than the revised September estimate of \$6,144,700,000 but 11.7% higher than the \$5,539,000,000 estimated in October 1965. Total inventory held in October was estimated at \$6,500,700,000, an increase of 0.6% over the revised September estimate of \$6,461,000,000 and 11.6% higher than the October 1965 estimate of \$5,824,600,000. The ratio of total inventory owned to shipments was 1.95 in October, 1.94 in September and 1.86 in October 1965. The ratio of finished products to shipments was 0.68 in October, 0.67 in September and 0.65 in October a year ago. Seasonally adjusted total inventory held was estimated at \$6,562,000,000, an increase of 1.0% over the September revised estimate of \$6,499,400,000.

The October estimate for new orders was \$3,144,600,000, an increase of 1.7% over the revised September value of \$3,091,800,000 and 3.9% higher than the October 1965 estimate of \$3,026,700,000. Unfilled orders in October were estimated at \$3,519,900,000, a slight decrease of 0.6% from the revised September figure of \$3,540,100,000 but an increase of 12.9% over the October 1965 estimate of \$3,117,800,000. Seasonally adjusted new orders at an estimated value of \$3,118,700,000 were 3.7% higher than the September estimate of \$3,007,300,000 while unfilled orders, seasonally adjusted, at \$3,621,300,000 increased by 0.7% over the September revised estimate of \$3,595,500,000.

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

	October 1966 (Preliminary)	September 1966 (Revised)	August 1966	October 1965
	Millions of dollars			
Shipments.....	3,164.8	3,173.3	2,970.6	2,985.0
Shipments (Seasonally adjusted).....	3,092.9	3,014.4	2,996.8	2,921.5
Inventory owned.....	6,186.8	6,144.7	6,104.9	5,539.0
Inventory owned (Seasonally adjusted).....	6,233.3	6,183.8	6,137.8	5,580.8
Inventory held.....	6,500.7	6,461.0	6,407.2	5,824.6
Raw materials.....	2,588.4	2,581.8	2,573.5	2,357.7
Goods in process.....	1,774.8	1,757.2	1,720.3	1,513.9
Finished products.....	2,137.5	2,122.0	2,113.4	1,953.0
New orders.....	3,144.6	3,091.8	3,109.5	3,026.7
New orders (Seasonally adjusted).....	3,118.7	3,007.3	3,166.7	3,004.9
Unfilled orders.....	3,519.9	3,540.1	3,621.7	3,117.8
Unfilled orders (Seasonally adjusted).....	3,621.3	3,595.5	3,602.6	3,207.6

Provincial Shipments: Estimated value of manufacturers' shipments in October increased 6.0% as compared with October 1965 with all provinces listed sharing in the increase. The increase in shipments in Newfoundland in October as compared to October 1965 was mainly due to increases in foods and beverages and paper and allied industries; in Nova Scotia to advances in transportation equipment industries; in Quebec to gains in paper, primary metals and electrical products; in Ontario to higher values in foods and beverages, metal fabricating, transportation equipment and electrical products; in Manitoba to increases in foods and beverages, clothing and machinery; in Saskatchewan to increases in foods and beverages; in Alberta to increases in foods and beverages, wood, primary metals and metal fabricating industries; and in British Columbia to increases in foods and beverages, electrical products, petroleum and coal products and chemical and chemical products industries. The fractional increase in New Brunswick shipments reflected small increases in several industries.

Value of Shipments of Own Manufacture by Province of Origin

	October		% Change	September 1966(R)	January - October		% Change
	1966(p)	1965			1966(p)	1965	
	Millions of dollars				Millions of dollars		
Nfld.....	14.5	13.0	+11.5	14.7	141.2	135.7	+ 4.1
N.S.....	48.7	46.5	+ 4.7	50.5	473.7	447.9	+ 5.8
N.B.....	40.0	39.8	+ 0.5	41.3	393.1	387.3	+ 1.5
Que.....	914.2	856.4	+ 6.7	939.4	8,527.7	7,856.5	+ 8.5
Ont.....	1,641.0	1,545.8	+ 6.2	1,610.4	15,796.2	14,492.2	+ 9.0
Man.....	87.5	84.0	+ 4.2	85.1	859.1	806.5	+ 6.5
Sask.....	39.6	38.4	+ 3.1	42.8	385.0	355.3	+ 8.4
Alta.....	115.7	109.9	+ 5.3	120.0	1,117.9	1,043.6	+ 7.1
B.C.....	260.4	247.5	+ 5.2	265.3	2,643.7	2,403.4	+10.0
CANADA(1)	3,164.8	2,985.0	+ 6.0	3,173.3	30,376.7	27,965.2	+ 8.6

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

(p) Preliminary. (R) Revised.

\*11. Veneers and Plywoods September shipments of plywoods dropped 11% to 164,735 thousand square feet from 184,194 thousand square feet during the corresponding period last year, placing the cumulative total at 1,639,359 thousand square feet a rise from 1965's corresponding total of 1,489,812. Veneer shipments during the month declined 5% to 161,423 thousand square feet from 170,367 thousand square feet, and rose during the cumulative period to 1,522,616 thousand square feet from 1,247,133. Plywood stocks at 169,568 thousand square feet were 32% higher than last year's September stocks of 128,435, while veneer stocks were 12% higher at 142,016 thousand square feet against last year's 127,140.

\*12. Steel Ingots Steel ingot production during the week ending December 17, rose .8% to 173,951 tons from the preceding week's total of 172,608 tons. Output during the comparable week in 1965 was 177,270 tons. The index of production, based on the average weekly output during 1957-1959 of 96,108 equalling 100, was 181 during the current week, 180 a week earlier and 184 a year ago.

13. Motor Vehicle Production: Motor vehicle production in November declined to 89,690 units from 93,114 units during the same period last year. Of this total, 67,319 units (77,053 last year) were passenger cars and 22,371 (16,061) were commercial vehicles. The cumulative total of 817,757 (765,287) is divided as follows: 638,322 passenger cars (636,913) and 179,435 commercial vehicles (128,374).

14. Motor Vehicle Shipments Factory shipments of Canadian-made vehicles in October declined to 72,227 units, from 72,990 during the corresponding period last year. Decreases in April, May, July, August and October were offset by substantial increases in the January-March and September periods, resulting in a 7.7% rise to 723,560 units from 671,866 units in the ten-month period.

15. Floor Tile: Shipments of vinyl-asbestos floor tile at 12,382,645 square feet during October were below last year's corresponding total of 13,362,652 square feet, while during the 1966 cumulative period shipments at 151,887,475 square feet were substantially higher than last year's 138,427,945 square feet.

16. Iron Ore Producers' shipments of iron ore totalled 5,026,958 tons in September, compared with 4,092,250 tons during the same period in 1965, while shipments during the cumulative period totalled 29,238,303 tons against last year's 29,826,461 tons. Stocks-on-hand at the end of September totalled 6,752,523 tons compared with 3,776,429 tons at the end of the same month in 1965.
- \*17. Receipts and Disposition of Natural Gas by Source During September 1966 transport and distribution systems accounted for 78,002,130 Mcf of the total deliveries to gas utilities. The imports were 4,371,061 Mcf. The total supply to gas utilities for the month was 82,447,964 Mcf, an increase of 1.3% over the same month last year.
- \*18. Refined Petroleum Products Production of refined petroleum products increased in September to 31,547,023 barrels from 29,155,874 in the same month last year. Receipts of crude oil advanced 10.0% in September to 31,811,841 barrels from 28,922,136 a year earlier.
- \*19. Crude Oil Requirements Crude oil requirements of Canadian oil refineries for 1966 are estimated to reach 381,800,000 barrels or 1,046,100 barrels per calendar day (M bbls/c.d.), an increase of 8.3% over the 352,600,000 barrels for 1965 (965.9 M bbls/c.d.).
- \*20. Electric Energy Statistics Net generation of electric energy in Canada increased 8.4% to 13,619,312 thousand kwh. in October 1966 from 12,568,525 thousand kwh. in October 1965. Output from hydro-electric plants increased 2.7% while thermal plant generation was up 38.2%.
- \*21. Estimates of Labour Income Paid workers in Canada received an estimated \$2,476,000,000 in September in the form of salaries and wages, an increase of 2.7% over the preceding month's \$2,412,000,000 and a rise of 11.4% over last year's corresponding total of \$2,223,000,000, according to an advance release of data that will be contained in the September issue of the DBS report, "Estimates of Labour Income." This placed the total for the January-September period at \$20,787,000,000, a rise of 12.5% over last year's like total of \$18,473,000,000.

Estimates of Labour Income

	Unadjusted				Seasonally Adjusted		
	September 1966	August 1966	September 1965	Jan.to Sept. 1966 1965	September 1966	August 1966	
	(millions of dollars)						
Nfld.....	42	40	37	334	288	38	37
P.E.I.....	7	7	6	55	50	6	6
N.S.,,.....	65	62	58	540	495	64	61
N.B.....	52	51	48	438	384	49	49
Que.....	663	641	590	5,543	4,924	642	631
Ont. ....	1,013	991	915	8,586	7,670	987	979
Man.....	104	100	95	866	795	100	97
Sask.....	80	78	71	651	575	75	75
Alta.....	168	163	148	1,388	1,231	162	156
B.C.....	276	273	248	2,327	2,009	264	263
CANADA.....	2,476	2,412	2,223	20,787	18,473	2,393	2,358

\*22. Fish Landings for Quebec, October 1966

Major Species	Quantity '000 lb.	Value \$'000
<b>Groundfish</b>		
Cod.....	2,711	110
Lingcod.....	-	-
Haddock.....	1	-
Pollock.....	-	-
Hake.....	38	1
Redfish.....	4,105	122
Halibut.....	17	4
Flounders and Soles.....	426	14
Other unspecified.....	119	--
TOTAL.....	7,417	251
<b>Pelagic &amp; Estuarial.</b>		
Herring.....	1,051	11
Mackerel.....	13	--
Salmon.....	-	-
Swordfish.....	-	-
Other unspecified.....	480	190
TOTAL.....	1,544	201
<b>Molluscs &amp; Crustaceans</b>		
Crabs.....	-	-
Lobster.....	-	-
Oysters.....	-	-
Scallops.....	-	-
Other unspecified.....	96	16
TOTAL.....	96	16
TOTAL - ALL SPECIES.....	9,057	468

-- Too small to be expressed.

23. Stocks of Fruit and Vegetables Stocks of fruit, frozen and in preservatives, in storages and factories on December 1 totalled 60,711,000 pounds as compared with last years corresponding total of 51,915,000 pounds, while holdings of vegetables, frozen and in brine totalled 79,259,000 pounds compared to 83,996,000 pounds.

24. Stocks of Meat & Lard Stocks of meat at December 1, 1966 this year totalled 96,747,000 pounds, as compared to 88,113,000 pounds a month earlier and 90,877,000 pounds at the same time last year. First-of-December stocks of cold storage frozen meat amounted to 62,509,000 pounds (56,386,000 a year ago); fresh meat, 25,745,000 pounds (26,657,000); and cured meat, 8,493,000 pounds (7,834,000).

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

1966	Produced during month		Inventory at end of month	
	Packaged	Bulk Oils	Packaged	Bulk Oils
October	19,285,248	..	4,092,734	198,069
November	20,509,838	..	5,532,848	408,503

.. Figures not available.

\*26. Shipping Statistics Cargo handled in international seaborne shipping during September increased 8.4% to 15,380,482 tons from 14,186,383 tons handled in September 1965, according to an advance release of data that will be contained in the September issue of the DBS report "Shipping Statistics". Loadings during the month increased 6.8% to 8,923,760 tons from 8,355,710 tons in the corresponding month of 1965 while unloadings increased 10.7% to 6,456,722 tons from 5,830,673 tons.

During September, the commodities loaded in greatest volume in international seaborne shipping were: iron ore, 4,293,630 tons (3,274,422 tons in September 1965); wheat, 1,509,975 tons (1,870,783); newsprint paper, 344,192 tons (292,870); gypsum, 293,593 tons (271,176); and lumber and timber, 268,016 tons (327,450). The commodities unloaded in greatest volume were: bituminous coal, 2,135,931 tons (2,082,154); fuel oil, 843,765 tons (589,401); crude petroleum, 816,130 tons (846,244); iron ore, 672,619 tons (525,524); and alumina and bauxite ore, 330,720 tons (380,651).

Canadian ports handling the greatest volume of freight in September were: Sept Iles, 2,277,009 tons (1,755,295 tons in September 1965); Montreal, 1,814,034 tons (1,353,192); Port Cartier, 1,124,499 tons (626,152); Hamilton, 1,017,144 tons (944,714); and Vancouver, 925,051 tons (1,111,260).

During the nine-month period from January to September, the volume of cargo handled in international seaborne shipping rose 1.6% to 98,672,567 tons from 97,129,081 tons during the same period last year.

27. Carloadings Revenue freight during the first seven days of December declined 5.3% from the previous year period to 75,237 cars, and during the cumulative period increased 1.9% to 3,805,876 cars. Piggyback loadings at 3,652 cars were 29.2% below the number carried during the same period last year, and during the cumulative period down 18.0% to 178,188. Receipts from Canadian and United States connections rose 1.7% to 26,426 cars during the current period, and during the cumulative period increased 0.4% to 1,177,174.

Commodities contributing to the decline in cars during the current period were: building sand, gravel and crushed stone, 1,839 (2,724 in 1965); and miscellaneous carload commodities, 8,481 (10,187). Those requiring more cars were: wheat, 7,177 (6,706); and pulpwood, 3,045 (2,645).

28. Railway Freight Traffic Railway freight traffic reflects Canada's rising economic activity. In 1965 carload traffic totalled a record 195,600,000 tons, up 3.6% over 1964 and 4.4% higher than the 187,300,000 tons carried in 1956. Of the 1965 aggregate tonnage handled 86.8% was loaded in Canada (86.9% in 1964); 5.8% received from United States for delivery in this country (5.0%); and 7.5% moved from the United States to the United States through Canada as overhead traffic (8.2%). Commodities showing marked increases in volume in 1965 included iron ore, copper-nickel ore and concentrates, pulpwood and fertilizers. Piggyback loadings rose 4.1% in 1965 over the preceding year.

29. Mental Health Statistics Rates of psychotics on books have declined, and rates of mental defectives, psychoneurotics and other non-psychotics on books have risen according to data included in the DBS report "Mental Health Statistics: Trends in Hospital Care and Patient Characteristics, 1955-63". Purpose of the report is to help delineate changes taking place in the patient population in terms of variables, type of institution, age, sex and diagnosis, and to stimulate discussion and further investigation.

30. Hospital Statistics Public hospitals reported almost 115,000,000 units of laboratory work in 1964 or 3.9 per patient day, compared with 3.5 in 1963. Radiology examinations were almost 7,000,000 compared with 6,200,000 a year earlier, according to data included in the DBS publication, "Hospital Statistics for 1964, Volume II." Operations numbered 2,320,000 or 44.6 (44.1 in 1963) for every 100 adult and child patients who were admitted to hospital. Of the 433,500 obstetrical patients who were delivered, 38.2 (36.8 in 1963) per 1,000 deliveries were Caesarean sections. Obstetrical patients accounted for 16.2% of all admissions, (15.5 in 1963).

Autopsies numbered almost 35,000 or 34.7 (34.1 in 1963) per 100 hospital deaths. The number of attendances per patient registered in the organized out-patient department was 3.3 compared with 3.0 the previous year. Over 3,000,000 attendance were recorded for emergency out-patient work compared to 2,500,000 the year before.

## RELEASED THIS WEEK

1. Quarterly Estimates of the Canadian Balance of International Payments, Third Quarter 1966, (67-001), 50¢/\$2.00
2. Trade of Canada: Summary of Imports, August 1966, (65-005), 20¢/\$2.00
3. Trade of Canada: Summary of Foreign Trade, August 1966, (65-001), 10¢/\$1.00
- \*4. Commodity Exports and Imports, October 1966
- \*5. Building Material Price Indexes, November 1966
6. Department Store Sales by Regions, December 3, 1966, (63-003), \$2.00
- \*7. Farm Implement and Equipment Sales, 1965
- \*8. Sales of Natural Gas, September 1966
- \*9. Corporation Profits, Third Quarter, 1966
- \*10. Manufacturers' Shipments, Inventories and Orders, October 1966
- \*11. Veneers and Plywoods, September 1966
- \*12. Steel Ingots, December 17, 1966
13. Preliminary Report on the Production of Motor Vehicles, November 1966, (42-001), 10¢/\$1.00
14. Motor Vehicle Shipments, October 1966, (42-002), 10¢/\$1.00
15. Asphalt and Vinyl-Asbestos Floor Tile, October 1966, (47-001), 10¢/\$1.00
16. Iron Ore, September 1966, (26-005), 10¢/\$1.00
- \*17. Receipts and Disposition of Natural Gas by Source, September 1966
- \*18. Refined Petroleum Products, September 1966
- \*19. Crude Oil Requirements, 1966
- \*20. Electric Energy Statistics, October 1966
- \*21. Estimates of Labour Income, September 1966
- \*22. Fish Landings for Quebec, October 1966
23. Stocks of Fruit and Vegetables, December 1966, (32-010), 20¢/\$2.00
24. Stocks of Meat and Lard, December 1, 1966, (32-012), 30¢/\$3.00
- \*25. Production and Inventory of Margarine and Margarine Oils, November 1966
- \*26. Shipping Statistics, September 1966
27. Carloadings, December 7, 1966 (52-001), \$3.00 a year
28. Railway Transport, Part V, 1965, (52-211), \$1.50
29. Mental Health Statistics: Trends in Hospital Care and Patient Characteristics, 1955-63, (83-505), 75¢
30. Hospital Statistics: Volume II, Hospital Services, 1964, (83-211), \$1.00
- Quarterly Stocks and Consumption of Unmanufactured Tobacco, September 1966, (32-014), 50¢/\$2.00
- Productivity Trends in Industry; Report No. 1, Synthetic Textile Mills, Breweries and Pulp and Paper Mills, 1947-61, (14-502), \$1.50

- Monthly Review of Canadian Fisheries Statistics, September 1966, (24-002), 30¢/\$3.00
- Wool Mills, 1964, (34-209), 50¢
- Prices & Price Indexes, October 1966, (62-002), 40¢/\$4.00
- Products Shipped by Canadian Manufacturers, 1963, (31-211), 75¢
- Household Furniture Industry, 1964, (35-211), 50¢
- Manufacturing Industries of Canada, Section B, Atlantic Provinces, 1963, (31-204), \$1.00
- Particle Board, September 1966, (36-003), 10¢/\$1.00
- Service Bulletin, Energy Statistics, (IND-SB)(2)-23) \$5.00 a year
- Retail Trade, 1930-1961, (63-510), 50¢
- Inventories, Shipments and Orders in Manufacturing Industries, September 1966, (31-001), 30¢/\$3.00
- Specified Domestic Electrical Appliances, September 1966, (43-003), 10¢/\$1.00
- Grain Statistics Weekly, November 30, 1966, (22-004), \$3.00 a year
- Veneer and Plywood Mills, 1964, (35-206), 50¢
- Civil Aviation, May 1966, (51-001), 30¢/\$3.00



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