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National Accounts: Gross national product in the second quarter reached a level of \$61,500,000,000, seasonally adjusted at annual rates, an increase of 2.2% from the first quarter. With prices rising, this advance represented a gain of close to 1% in real terms. (Page 2)

Balance of Payments: Higher levels of exports, particularly in the first quarter, in combination with a narrowed deficit on non-merchandise transactions brought about an appreciable reduction in Canada's current account deficit in the first half of 1967. Contributing to the improvement in the services balance was an impressive rise in travel receipts with the opening of Expo 67 in late April, offset in part by an expansion in Canada's foreign economic aid, particularly, in donations of wheat. (Page 10)

External Trade: Canadian commodity exports plus re-exports climbed 13.0% in the January-August period to \$7,472,900,000 from \$6,613,900,000 in the corresponding 1966 period. During August exports were down 3.4% to \$913,200,000 this year from \$945,200,000 in the 1966 month. (Page 15)

Industrial Production: Canada's seasonally adjusted index of industrial production advanced by 0.9% in July rising to 283.1 from the revised June level of 280.7. The gain left the index, which measures approximately 1/3 of the economy, about 1% higher than in December 1966. Returning to the July movements all three principal components contributed to the gain as mining rose by 0.7%, electric power and gas utilities by 0.9% and manufacturing by 0.8%. (Page 16)

Vital Statistics: Births recorded in provincial offices during August were down 9.7% to 32,713 with decreases reported in all provinces except Prince Edward Island. (Page 17)

Traffic: Motor vehicle traffic accidents on Canadian streets and highways claimed 608 lives in July, up 9.5% from 1966's July total of 555. (Page 18)

Labour: Average weekly wages in manufacturing decreased slightly from June to \$96.34 in July. The July unadjusted index of employment (1961=100) increased slightly to 125.6 from 125.3 in June and was 1.4% higher than in July of last year. (Page 19)

Construction: Starts in centres of 10,000 population and over increased to 14,965 in July from 10,042 in the 1966 month and during the cumulative period increased to 71,235 from 57,093 last year. (Page 19)

Transportation: Revenue freight carloadings during the seven days ended September 21 decreased 10.4% to 79,656 from the previous year. During the cumulative period they declined 4.2% to 2,770,426. (Page 20)

Manufacturing: Steel ingot production during the week ending September 30 totalled 196,615 tons, up 2.7% from the preceding week's total of 191,380 tons. (Page 22)

Travel: Entries of vehicles registered in other countries totalled 1,973,668 in August, an increase of 209,515 or 11.9% over the August 1966 total of 1,764,153. (Page 22)



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1. Gross National Product in the 2nd Quarter 1967 Gross National Product in the second quarter reached a level of \$61.5 billion, seasonally adjusted at annual rates, an increase of 2.2 per cent from the first quarter. With prices rising, this advance represented a gain of close to 1 per cent in real terms.

Although the rise in the current value of GNP roughly matches the average increase in three of the four preceding quarters, as a result of continuing price increases the advance in constant dollars compares less favourably.

The increase in total demand (G.N.E. plus imports) from the first quarter at over \$2 billion was the largest in five quarters; its components displayed wide fluctuations. On the income side the factors of production contributed fairly evenly to the domestic portion of this increase; this was strongly reinforced by supplies coming from abroad. Although its effect cannot be fully evaluated in quantitative terms, centennial celebrations and in particular EXPO had a pervasive effect on the economy.

In absolute terms, seasonally adjusted, the main strength in demand came about equally from the government sector and persons. Expenditures on new residential construction increased sharply after three quarters of decline. Exports continued to advance with a gain of nearly \$700 million, following a \$1 billion advance in the first quarter. Offsetting these increases were declines in business construction and machinery and equipment, while investment in non-farm inventories added very little to overall demand.

The \$800 million increase in personal expenditure was widely shared. Aided by a 14 per cent rise in new car purchases -- only the second increase in the last seven quarters -- durables reversed the decline of the two previous quarters and advanced by 6½ per cent, while many other items also increased substantially. A 22 per cent increase in outlays for new residential construction added some \$432 million to demand; significantly affecting this rise was a special inflow of mortgage funds. This offset the declines of the last three quarters and restored expenditures to the level of a year ago. However, the availability of mortgage funds is decreasing, and housing starts in urban areas have been declining from the high point in May. The rate of investment in machinery and equipment declined for only the third time since 1961; a contributing factor to the lower value of investment was the reduction in April, and the elimination in June, of the sales tax on production machinery.

After a sizeable cut-back in the rate of accumulation in the first quarter, the rate of investment in non-farm business inventories showed virtually no change. Unlike the situation in the United States where a substantial decline in the rate of accumulation took place in the last two quarters, in Canada this process was spread more evenly over the last four quarters.

* The forthcoming report on the 2nd quarter 1967 incorporates revised Balance of Payments data for the years 1964, 1965, 1966 and the first quarter of 1967. Factors affecting some of these revisions are discussed in the "Quarterly Estimates of the Canadian Balance of International Payments, Second Quarter 1967", catalogue No. 67-001.

This press release provides tabular material for years 1966 and 1967 only.

The deficit on current account widened somewhat as the largest increase in imports in the expansion more than offset a considerable rise in exports. The gain in the exports was more than fully accounted for by a net gain in the travel account of \$800 million, while the surplus on merchandise account declined by over \$400 million as exports increased only fractionally from the exceptionally high level of the first quarter.

On the income side, labour income increased by less than 2 per cent -- the smallest quarterly gain since the fourth quarter of 1964. The trend of the previous quarter continued with small payroll increases in the goods-producing industries compared with the service industries. Most of the gain in employment was absorbed by the service sector; employment in goods-producing industries actually declined. Seasonally adjusted unemployment rates showed month-to-month increases in May and June but declined in both July and August. Corporation profits increased some 5½ per cent from the low first quarter level, but remained significantly below the level of the first half of last year.

Price Movements

The implicit price index of gross national expenditure rose 1.4 per cent from the first quarter.

Seasonally adjusted food prices, which fell 1.2 per cent in the first quarter, declined fractionally this quarter; they were about 0.8 per cent below their level this time last year. Some increase occurred in miscellaneous meats, vegetables, and fish, but these were more than offset by price decreases in beef, eggs, pork, and poultry.

Non-food commodities showed an overall price increase of more than 1 per cent. This was partly a reflection of changes in sales tax. Tax increases in Quebec and in Newfoundland from 6 to 8 per cent and 5 to 6 per cent respectively affected the entire quarter, while a 5 per cent sales tax was introduced in Manitoba effective June first. Within non-durables, prices for men's clothing, footwear, and newspapers and magazines all increased by about 2 per cent on a seasonally adjusted basis. Electricity showed a sharp 10 per cent increase owing mainly to higher rates in Quebec and British Columbia. Price increase in durable goods was more moderate than in non-durables. Increases were relatively large in home furnishings, jewellery, and furniture, all of which increased by more than one per cent. A one-half per cent increase occurred in the seasonally adjusted price of cars.

Nearly all items contributed to the 2½ per cent rise in service prices. Purchased transportation, education, and recreation rose by more than 3 per cent; a similar increase in medical care was largely the result of rises in the fees charged by medical practitioners and dentists.

The implicit price index for business gross fixed capital formation declined fractionally, the net effect of an upward movement in construction prices and a fall in the prices of machinery and equipment. Price increases in residential and non-residential construction reflected higher costs --- mostly in labour, but also in materials. The 2½ per cent decline in seasonally adjusted machinery prices was largely due to changes in the federal sales tax on production machinery, which was lowered from 11 to 6 per cent in April and eliminated in June.

The following table summarizes the price changes outlined above:

Implicit Price Indexes
Percentage Change from the Preceding Quarter
(Based on Seasonally Adjusted Data)

	1966				1967	
	I	II	III	IV	I	II
Personal expenditure	1.3	1.1	0.5(1)	0.9	0.6	1.2
Non-durable goods	1.8	1.0	0.5(1)	0.5	-0.1	0.9
Durable goods	-0.5	1.0	-0.3(1)	1.3	0.4	0.8
Total goods	1.3	1.4	0.4(1)	0.8	0.1	0.8
of which: food	3.1	1.1	0.5	—	-1.2	-0.1
non-food goods	0.4	1.2	0.3(1)	1.2	0.7	1.3
Services, excluding net expenditure abroad.	1.2	1.0	1.0	1.0	1.4	2.4
Government expenditure on goods and services	3.0(1)	0.6(1)	1.5(1)	2.1(1)	3.0(2)	2.1(2)
Business gross fixed capital formation	1.3	1.0	0.7	1.5	1.1	-0.2
New residential construction	1.6	0.9	1.1	2.3	0.6	2.2
New non-residential construction	1.4	1.5	1.1	1.5	0.9	1.5
New machinery and equipment	0.7	0.7	0.5	1.4	1.5	-2.7
Exports of goods and services	0.8	0.7	1.7(1)	0.4(1)	0.3(1)	0.1(1)
Imports of goods and services	0.3	0.4	0.5	0.9	-0.3	0.3
Gross national expenditure	1.8	1.0	1.2	0.9	1.3	1.4
(Base-weighted price index of gross national expenditure)	1.3	1.6	1.3	1.1	0.8	1.2

(1) The implicit price indexes in some quarters may not provide reasonable measures of price change as a result of marked quarter-to-quarter changes in expenditure patterns. Such was the case notably in the third quarter of 1966. The quarter-to-quarter changes footnoted in the table are based on price indexes in which the effect of changes in expenditure patterns has been discounted.

(2) Changes in this component for the first and second quarters of 1967 are not necessarily analytically significant.

National Income and Gross National Product, by Quarters, 1966 and 1967 Seasonally Adjusted at Annual Rates
(millions of dollars)

	1966					1967				
	I	II	III	IV	Year	I	II	III	IV	Year
1. Wages, salaries, and supplementary labour income	28,332	28,960	29,592	30,412	29,324	31,244	31,844			
2. Military pay and allowances .	684	568	588	644	621	748	676			
3. Corporation profits before taxes	5,292	5,272	4,896	5,288	5,187	4,656	4,912			
4. Deduct: Dividends paid to non-residents	-728	-768	-776	-916	-797	-640	-772			
5. Rent, interest and miscellaneous investment income ...	3,772	3,932	3,828	4,080	3,903	4,008	4,304			
6. Accrued net income of farm operators from farm production	2,184	2,244	2,252	2,136	2,204	1,880	1,892			
7. Net income of non-farm unincorporated business ...	2,936	2,852	3,000	3,008	2,949	2,960	3,124			
8. Inventory valuation adjustment	-488	-232	-340	-212	-318	-308	-240			
9. NET NATIONAL INCOME AT FACTOR COST	41,984	42,828	43,040	44,440	43,073	44,548	45,740			
10. Indirect taxes less subsidies	7,772	7,844	7,976	7,608	7,800	8,580	8,388			
11. Capital consumption allowances and miscellaneous valuation adjustments	6,428	6,644	6,536	6,756	6,591	6,936	7,128			
12. Residual error of estimate .	240	240	296	320	274	116	260			
13. GROSS NATIONAL PRODUCT AT MARKET PRICES	56,424	57,556	57,848	59,124	57,738	60,180	61,516			
14. (Gross national product at market prices excluding accrued net income of farm operators)	(54,240)	(55,312)	(55,596)	(56,988)	(55,534)	(58,300)	(59,624)			

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NATIONAL ACCOUNTS (continued)

Gross National Expenditure, by Quarters, 1966 and 1967 Seasonally Adjusted at Annual Rates
(millions of dollars)

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NATIONAL ACCOUNTS (continued)

	1966					1967				
	I	II	III	IV	Year	I	II	III	IV	Year
1. Personal expenditure on consumer goods and services	33,956	34,112	35,304	35,988	34,840	36,488	37,288			
2. Government expenditure on goods and services	10,592	10,872	11,648	11,564	11,169	11,708	12,596			
3. Business gross fixed capital formation	12,016	12,324	12,000	12,516	12,214	12,612	12,504			
4. New residential construction	2,220	2,336	2,096	2,060	2,178	1,928	2,360			
5. New non-residential construction	4,788	4,832	4,628	4,996	4,811	5,008	4,724			
6. New machinery and equipment	5,008	5,156	5,276	5,460	5,225	5,676	5,420			
7. Value of physical change in inventories	988	1,668	588	736	995	24	52			
8. Non-farm business inventories	792	1,392	564	580	832	176	184			
9. Farm inventories and grain in commercial channels ..	196	276	24	156	163	-152	-132			
10. Exports of goods and services	12,660	12,820	13,276	13,536	13,073	14,508	15,180			
11. Deduct: Imports of goods and services	-13,548	-13,996	-14,676	-14,900	-14,280	-15,044	-15,840			
12. Residual error of estimate .	-240	-244	-292	-316	-273	-116	-264			
13. GROSS NATIONAL EXPENDITURE AT MARKET PRICES	56,424	57,556	57,848	59,124	57,738	60,180	61,516			
Detail of Farm Inventories and GICC:										
Value of grain crop production	1,564	1,564	1,564	1,564	1,564	1,172	1,172			
Depletions of farm stocks of grain	-1,224	-1,372	-1,612	-1,404	-1,403	-1,324	-1,512			
Change in livestock inventories	-100	36	48	-32	-12	-36	96			
Grain in commercial channels	-44	48	24	28	14	36	112			

Source of Personal Income, by Quarters, 1966 and 1967 Seasonally Adjusted At Annual Rates
(millions of dollars)

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NATIONAL ACCOUNTS (continued)

	1966					1967				
	I	II	III	IV	Year	I	II	III	IV	Year
1. Wages, salaries, and supplementary labour income	28,332	28,960	29,592	30,412	29,324	31,244	31,844			
2. Deduct: Employer and employee contributions to social insurance and government pension funds	-1,504	-1,852	-1,928	-1,980	-1,816	-1,988	-2,064			
3. Military pay and allowances .	684	568	588	644	621	748	676			
4. Net income received by farm operators from farm production	2,044	2,080	2,056	2,012	2,048	1,988	1,720			
5. Net income of non-farm unincorporated business ...	2,936	2,852	3,000	3,008	2,949	2,960	3,124			
6. Interest, dividends and net rental income of persons ..	4,396	4,444	4,596	4,708	4,536	4,724	4,828			
Transfer payments to persons:										
7. From government (excluding interest)	4,692	4,904	5,084	5,344	5,006	5,744	6,168			
8. Charitable contributions by corporations	44	44	44	44	44	44	44			
9. PERSONAL INCOME	41,624	42,000	43,032	44,192	42,712	45,464	46,340			

Disposition of Personal Income, by Quarters, 1966 and 1967 Seasonally Adjusted at Annual Rates
(millions of dollars)

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	1966					1967				
	I	II	III	IV	Year	I	II	III	IV	Year
1. Personal direct taxes	4,216	4,156	4,564	4,800	4,434	5,472	5,112			
2. Income taxes	3,652	3,580	3,972	4,212	3,854	4,912	4,508			
3. Succession duties and estate taxes	236	212	252	212	228	196	212			
4. Miscellaneous	328	364	340	376	352	364	392			
5. Personal expenditure on consumer goods and services.	33,956	34,112	35,304	35,988	34,840	36,488	37,288			
6. Non-durable goods	16,300	16,728	17,104	17,520	16,913	17,740	18,372			
7. Durable goods	4,272	3,828	4,308	4,268	4,169	4,168	4,440			
8. Services	13,384	13,556	13,892	14,200	13,758	14,580	14,476			
9. Personal net saving	3,452	3,732	3,164	3,404	3,438	3,504	3,940			
10. PERSONAL INCOME	41,624	42,000	43,032	44,192	42,712	45,464	46,340			
11. (Personal disposable income) .	(37,408)	(37,844)	(38,468)	(39,392)	(38,278)	(39,992)	(41,228)			

NATIONAL ACCOUNTS (continued)

Gross National Expenditure in Constant (1957) Dollars, by Quarters 1966 and 1967
Seasonally Adjusted at Annual Rates

page		1966					1967				
		I	II	III	IV	Year	I	II	III	IV	Year
9	1. Personal expenditure on consumer goods and services ..	29,484	29,292	30,240	30,552	29,892	30,808	31,124			
	2. Non-durable goods	14,256	14,508	14,772	15,052	14,647	15,268	15,680			
	3. Durable goods	4,308	3,820	4,332	4,232	4,173	4,124	4,356			
	4. Services	10,920	10,964	11,136	11,268	11,072	11,416	11,088			
	5. Government expenditure on goods and services	7,924	8,148	8,600	8,328	8,250	8,180	8,620			
	6. Business gross fixed capital formation	9,416	9,560	9,248	9,496	9,430	9,472	9,400			
	7. New residential construction	1,664	1,736	1,540	1,480	1,605	1,376	1,648			
	8. New non-residential construction	3,684	3,664	3,472	3,692	3,628	3,668	3,408			
	9. New machinery and equipment	4,068	4,160	4,236	4,324	4,197	4,428	4,344			
	10. Change in inventories	1,004	1,564	528	672	942	-8	-36			
	11. Non-farm business inventories	788	1,280	496	544	777	152	132			
	12. Farm inventories and grain in commercial channels ..	216	284	32	128	165	-160	-168			
	13. Exports of goods and services	11,152	11,212	11,380	11,636	11,345	12,464	12,956			
	(of which merchandise).....	(9,048)	(9,088)	(9,300)	(9,540)	(9,244)	(10,308)	(10,384)			
	14. Deduct: Imports of goods and services	-11,708	-12,044	-12,568	-12,640	-12,240	-12,804	-13,448			
	(of which merchandise).....	(8,556)	(8,848)	(9,188)	(9,252)	(8,961)	(9,576)	(10,028)			
	15. Residual error of estimate ..	-200	-200	-236	-256	-223	-92	-208			
	16. GROSS NATIONAL EXPENDITURE IN CONSTANT (1957) DOLLARS.	47,072	47,532	47,192	47,788	47,396	48,020	48,408			

NATIONAL ACCOUNTS (concluded)

2. Quarterly Estimates of The Canadian Balance
Of International Payments, Second Quarter 1967

Higher levels of exports, particularly in the first quarter, in combination with a narrowed deficit on non-merchandise transactions brought about an appreciable reduction in Canada's current account deficit in the first half of 1967. Contributing to the improvement in the services balance was an impressive rise in travel receipts with the opening of Expo 67 in late April, offset in part by an expansion in Canada's foreign economic aid, particularly in donations of wheat.

Capital inflows in long-term forms in the second quarter were somewhat below the average for the recent period. A fairly large outward movement of short-term capital took place; and official monetary assets were reduced for the 6th consecutive quarter.

Summary Statement

	1965	1966	1966				1967	
			IQ	IIQ	IIIQ	IVQ	IQ	IIQ
			Millions of dollars					
Merchandise exports	8,745	10,326	2,223	2,602	2,695	2,806	2,609	3,020
Merchandise imports	8,627	10,102	2,213	2,651	2,472	2,766	2,507	3,022
Merchandise trade balance	+118	+224	+10	-49	+223	+40	+102	-2
Deficit on non-merchandise transactions	-1,248	-1,361	-406	-326	-182	-447	-408	-247
Current account balance	-1,130	-1,137	-396	-375	+41	-407	-306	-249
Capital movements (1)	+1,287	+778	+258	+258	-126	+388	+293	+194
Long-term forms	+864	+1,024	+462	+224	+219	+119	+316	+275
Short-term forms	+423	-246	-204	+34	-345	+269	-23	-81
Change in official holdings of gold, foreign exchange, and net balance with I.M.F.	+157	-359	-138	-117	-85	-19	-13	-55

(1) Excluding change in official exchange holdings.

Current Transactions Canada's total receipts from international transactions in goods and services rose \$1,044,000,000 or 17% from \$6,097,000,000 in the first 6 months of 1966 to \$7,141,000,000 in the first half of 1967. Total current payments expanded \$828,000,000 or 12% from \$6,868,000,000 to \$7,696,000,000 over the same period. Accordingly, the current account deficit contracted about \$216,000,000 to \$555,000,000 in the first half year 1967 from the revised total of \$771,000,000 for the corresponding period of 1966. Of this improvement, \$139,000,000 or 64% originated from merchandise trade and \$77,000,000 from non-merchandise transactions. Approximately 58% of the reduction in the deficit arose from Canada's transactions with the United States, (primarily on account of travel expenditures), nearly 14% from transactions with the United Kingdom and about 28% with all other countries. Within this last group, as the current deficit widened with the other OECD countries in Europe, the improvement was concentrated in transactions with the Rest of the Sterling Area and in particular with the remaining countries.

The data for 1965 and 1966 which are included in this report reflect larger than usual revisions. The most important of these relate to commodity trade in 1966. As was noted in the report for the first quarter, exports have now been revised to reflect the addition of nearly \$60,000,000 consisting to a large extent of automotive products shipped to Latin American markets which

became known after the earlier estimates were struck. Commodity imports reflect the addition of approximately \$200,000,000 representing correction for a lag which developed in 1966 in the receipt by the Dominion Bureau of Statistics of import documents from an important Canadian port. Estimates of capital movements in 1965 show sharply increased inflows for direct investment; reporting and other errors were revealed in the construction of final estimates. As is always the case, many other items in each of the years reflect revisions, on a smaller scale, as the result of more complete information which is now available.

Trade Balance The sharp improvement in the trade balance from a deficit of \$39,000,000 in the first two quarters of 1966 to a surplus of \$100,000,000 in 1967 resulted from an expansion of nearly 17% in merchandise exports from \$4,825,000,000 to \$5,629,000,000 offset by a smaller rise of almost 14% in merchandise imports from \$4,864,000,000 to \$5,529,000,000 in the first half of 1967.

Many commodities contributed to the \$804,000,000 gain in merchandise exports between the first half years of 1966 and 1967. On the basis, however, of incomplete detailed information, it would appear that automotive products accounted for well over one half of the rise. Exports of aircraft engines and aircraft parts rose about \$40,000,000, and increases in the neighbourhood of \$20,000,000 to \$30,000,000 each took place in the shipments of crude petroleum, aluminum, copper concentrates, copper refinery shapes, wood pulp, newsprint and paper products. Shipments were also moderately higher for a variety of commodities, including fish products, natural gas, communication equipment, office machines and firearms. In total there was little change between the first halves of 1966 and 1967 in the values of clearances overseas of wheat, but a reduction of nearly \$100,000,000 in the shipments on Russian account and a much smaller decline to Mainland China were offset by a substantial increase in the grants of wheat to India, in particular, and moderately larger shipments to Japan, South Africa, the United Kingdom and countries in Western and Eastern Europe. Exports of meat, seeds and uranium were lower.

Automotive products appear to have accounted for about 50% of the \$665,000,000 expansion in merchandise imports between the first halves of 1966 and 1967. Larger imports were also indicated for crude petroleum, fuel oil, cotton fabrics, steel materials, machinery, communication and other equipment and tools, electronic computers, aircraft engines and parts and photographic goods. Imports of nickel, ships and aircraft were, on the other hand, lower.

Non-Merchandise Deficit Reversing the widening since 1964, the non-merchandise deficit declined more than 10% from \$732,000,000 in the first half of 1966 to \$655,000,000 in 1967. A sharp swing between the second quarters in the international travel balance from a deficit to a substantial surplus was the principal factor in the improvement. Migrants' funds and inheritances, freight and shipping accounts contributed more moderately to the favourable change, while official contributions, gold production available for export and the balances of the other "invisible" items deteriorated.

A combination of a small decline in the Canadian travel expenditures abroad and a near-doubling in the receipts from foreign visitors, attracted by Expo 67 and other centennial year celebrations, caused the deficit of \$56,000,000 in the 2nd quarter of 1966 to change into a surplus of \$120,000,000 one year later. More than 90% of the improvement of the international travel balance was concentrated in Canada's transactions with the United States, with the receipts from visitors from that country rising from \$156,000,000 in the April-June quarter of 1966 to \$307,000,000 in the 2nd quarter of 1967.

Net interest and dividend payments in the first 6 months of 1967 rose to \$382,000,000 from \$345,000,000 in the corresponding period of 1966. Almost all of this \$37,000,000 increase was attributable to reduced interest and dividend receipts. Dividend receipts from the Rest of the Sterling Area and the United States contracted sharply during the 2nd quarter, bringing the total for the first half of 1967 to \$75,000,000 down \$31,000,000 from the corresponding 1966 estimate. Total interest receipts were moderately lower at \$41,000,000. At \$498,000,000 interest and dividend payments were little changed in total. However, interest payments were higher at \$235,000,000, as a consequence mainly of large United States purchases of new corporate and provincial bond issues, while dividend payments were somewhat lower at \$263,000,000 on account of reduced payments in the first quarter.

With freight receipts rising \$30,000,000 to \$371,000,000 and the payments increasing one-half as much to \$396,000,000, net payments for freight and shipping services narrowed \$15,000,000 to \$25,000,000 in the first half year 1967. Inland freight receipts on exports gained over this period, as did also many other items in this group of transactions pertaining to the carriage of an increased volume of trade. On account of a rise of over one-third in the receipts, offset by a much smaller increase in the payments, the surplus on migrants' funds and inheritances nearly doubled from \$35,000,000 to \$68,000,000 between the first halves of 1966 and 1967. The number of immigrants arriving in Canada increased from 86,000 persons to almost 109,000 persons over this period. Gold production available for export declined by \$4,000,000 to \$59,000,000.

Following an addition of \$19,000,000 to \$52,000,000 in the first quarter of 1967, the official contributions continued to rise sharply from \$14,000,000 in the second quarter of 1966 to \$80,000,000 one year later. A major part of this large total constituted shipments of wheat in particular to India under the international food aid programme. Larger net receipts from other government transactions, attributable largely to the preparation and operation of Expo 67, were outweighed by a widening deficit on business services and a rise in personal and institutional remittances following the warfare in the Middle East.

Total receipts for the exports of goods and services to the United States increased \$733,000,000, or nearly 20% from \$3,769,000,000 to \$4,502,000,000 between the first halves of 1966 and 1967. Total payments to the United States advanced \$608,000,000, or 12%, from \$4,975,000,000 to \$5,583,000,000. The current account deficit accordingly contracted \$125,000,000, or roughly 10%, from \$1,206,000,000 to \$1,081,000,000 in the January - June period of 1967. Only 10% of this improvement originated from merchandise trade, as the gain on merchandise exports was but \$13,000,000 greater than the increase in imports.

The sizable improvement of \$150,000,000 in the travel balance with the United States, described before, was in part offset by much smaller deteriorations in the balances pertaining to interest, dividends, migrants funds, gold production available for export and some other services. The net reduction in the non-merchandise deficit amounted to \$112,000,000 from \$587,000,000 to \$475,000,000.

With an advance of \$56,000,000 in the receipts from the United Kingdom to \$781,000,000, offset partially by a rise of \$26,000,000 to \$537,000,000 in the payments, Canada's current account surplus widened 14% from \$214,000,000 to \$244,000,000 in the first two quarters of 1967. The improvement was distributed just about evenly between merchandise trade and non-merchandise transactions. Merchandise exports amounted to \$603,000,000 in the first half of 1967, up more than 8% from \$556,000,000 for the same period of 1966; and the estimated imports for 1967 of \$348,000,000 stood about 10% above \$315,000,000 for the January - June period of 1966. Non-Merchandise receipts increased \$9,000,000 to \$178,000,000, while the payments declined \$7,000,000 to \$189,000,000. Of the improvement of \$16,000,000 in the "invisible" balance, migrants' funds and inheritances accounted for about a half.

Canada's current account surplus widened \$61,000,000 with the other countries from \$221,000,000 to \$282,000,000. Total receipts increased 16% from \$1,603,000,000 to \$1,858,000,000, while total payments rose 14% from \$1,382,000,000 to \$1,576,000,000. Merchandise exports totalled \$1,496,000,000 in the first half of 1967, up nearly 14% from \$1,315,000,000 in the same period of 1966. Contributing to the change was an addition of about \$55,000,000 of wheat shipments under the foreign economic aid programme. The estimated increase in merchandise imports was 7% from \$976,000,000 to \$1,045,000,000.

Besides the enlargement of \$85,000,000 in the official contributions, smaller deteriorations took place in the balances of interest, dividends and personal and institutional remittances. The principal offsets were improvements in the balances of migrants' funds, travel and freight and shipping services.

Capital Movements The net capital inflow into Canada (apart from official monetary movements shown separately in the balance of payments statements) totalled \$194,000,000 in the second quarter of 1967 to produce an inflow of \$487,000,000 in the first six months of the year, down \$29,000,000 from the comparable period in 1966. The shortfall of \$55,000,000 between the capital inflow and the current account deficit of \$249,000,000 was financed by a reduction in official monetary assets. In the first half of 1967 the fall in these assets aggregated \$68,000,000 compared with \$255,000,000 in the first six months of 1966. In both these periods there were official repurchases of Government of Canada securities which totalled about \$30,000,000 in the 1967 half year and \$70,000,000 in the 1966 period.

The net capital inflow in long-term forms in the second quarter at \$275,000,000 exceeded the current account deficit. In the first six months of 1967 there was a positive balance from these groups of transactions of \$36,000,000 compared with a negative balance of \$85,000,000 in the comparable period of 1966.

Capital Movements

	1965	1966	1966				1967	
			IQ	IIQ	IIIQ	IVQ	IQ	IIQ
Millions of dollars								
Foreign direct investment in Canada	+535	+710	+128	+212	+147	+223	+125	+130
Canadian direct investment abroad	-125	-20	-22	-39	+76	-35	-30	-10
Net sales of Canadian securities	+631	+721	+438	+132	+141	+10	+206	+149
Net purchases of foreign securities	-85	-418	-79	-124	-126	-89	-54	-51
Bank balances and other short-term funds abroad (excluding official reserves)	+138	-601	-171	-16	-317	-97	+317	+25
Finance company short-term paper	-162	-4	+27	-5	-55	+29	+7	-26
All other capital movements	+355	+390	-63	+98	+8	+347	-278	-23
Net capital movements	+1,287	+778	+258	+258	-126	+388	+293	+194

Capital movements in short-term forms resulted in net outflows of \$81,000,000 in the quarter and \$104,000,000 in the first half of 1967 compared with a net outflow of \$170,000,000 in the first six months of 1966. Transactions in foreign currencies by and through the Canadian banking system contributed significantly to these movements.

In the second quarter of 1967 direct investment in foreign-controlled enterprises produced a net capital inflow of \$130,000,000, up slightly from the previous quarter's \$125,000,000. Direct investment from the United States accounted for over 85% of the total representing mainly a special transaction involving the acquisition of existing investment in the mining industry. The total net direct investment in manufacturing industry which had been relatively high in recent quarters was down substantially in the quarter under review largely reflecting the repatriation from United States ownership of a major interest in a large Canadian corporation in the beverage field. Increased inflows to acquire existing assets more than accounted for the rise in direct investment inflows between the first and second quarters of 1967.

The net outflow due to Canadian direct investment abroad at \$10,000,000 contracted about two thirds during the second quarter. A significant factor in this reduction was the channelling to Canada from a utility in Latin America of funds which assisted in the repatriation referred to above.

A net capital inflow of \$98,000,000 during the second quarter of 1967 arose from transactions in portfolio securities between Canada and other countries, a decline of about one third from the first quarter inflow of \$152,000,000. The inflow from transactions in Canadian issues declined to \$149,000,000 from \$206,000,000 for the first quarter, partly from the repatriation of foreign pay issues of the Government of Canada. Net purchases of foreign securities remained approximately unchanged with a \$51,000,000 outflow for the second quarter.

Sales of Canadian new issues at \$322,000,000 changed little from the \$331,000,000 of the first quarter with provincial government bonds and debentures continuing to make up the major portion of the proceeds from new issues.

At \$494,000,000 total offerings of new Canadian bonds and debentures to residents of the United States were the highest since the first quarter of 1963. A placement by a Canadian pipeline company to finance the construction by an affiliate of facilities in the United States accounted for a significant part of this total. During the second quarter transactions in outstanding Canadian securities produced a net outflow of \$37,000,000 or almost three fifths of the first quarter purchase balance. Second quarter retirements of Canadian securities held by non-residents rose to \$136,000,000 compared to \$63,000,000 for the first quarter. This rise was accounted for largely by an increase of \$57,000,000 in retirements of Government of Canada direct issues which included a special repurchase of more than \$30,000,000.

Net purchases of outstanding foreign securities, principally United States equities, increased by one half to \$44,000,000 in the second quarter of 1967 while Canadian purchases of foreign new issues contracted to \$9,000,000 from \$26,000,000 in the first quarter when an international institution had floated an issue in Canada.

Transactions during the quarter arising from the financing of exports directly or indirectly at the risk of the Government of Canada led to a net inflow of \$54,000,000, representing largely repayments received in respect of past exports of wheat to Sino-Soviet countries.

Other transactions in long-term forms, e.g. advances and repayments under intergovernmental loan programmes, were small and offsetting.

An outflow of \$81,000,000 from capital movements in short-term forms was recorded in the second quarter of 1967, more than three times greater than the \$23,000,000 outflow of the first quarter. Geographically there were net movements to the United States and the United Kingdom which were partially offset by a net inflow from other countries.

Non-resident holdings of Canadian dollars fell by \$58,000,000 in the period under review, exactly reversing the total net inflow of the first quarter. Net outflows of \$59,000,000 and \$7,000,000 reduced foreign holdings of Canadian dollar deposits and Government of Canada demand liabilities respectively. Inflows from net sales to non-residents of Canadian treasury bills declined to \$8,000,000 in the second quarter from \$15,000,000 in the first quarter.

All other capital movements led to a net outflow of \$23,000,000. A net inflow of \$25,000,000 resulted from a decline in the Canadian holdings of foreign currency bank balances and other short-term funds abroad (excluding official reserves), with swapped and other United States dollar deposits again contributing to this movement.

International transactions in Canadian finance company paper (including that of the financing subsidiaries of manufacturing and enterprises) led in the second quarter to a \$26,000,000 net outflow, which was partially offset by a \$9,000,000 net inflow as a result of transactions in other finance company short-term obligations (which include borrowings from foreign banks and advances from parent companies).

All other transactions led to a net capital outflow of \$35,000,000 with short-term loans from non-residents on balance increasing in the quarter while changes in accounts receivable and payable producing a significant net outflow.

EXTERNAL TRADE

*3. Commodity Exports Canadian commodity exports plus re-exports climbed 13.0% in the January-August period to \$7,472,900,000 from \$6,613,900,000 in the corresponding 1966 period. During August exports were down 3.4% to \$913,200,000 this year from \$945,200,000 in the 1966 month.

United States purchases increased 13.2% during the month to \$586,500,000 from \$518,100,000 in August last year and during the eight-month period soared 18.0% to \$4,685,600,000 from \$3,970,000,000. Exports to the United Kingdom were down 13.8% in August to \$97,100,000 from \$112,700,000 and up 2.8% in the January-August period to \$780,600,000 from \$759,400,000.

Purchases by other commonwealth and preferential rate countries during the month dropped 36.8% to \$54,400,000 from \$86,000,000, while during the cumulative period they increased 28.1% to \$467,800,000 from \$365,100,000. Other countries bought goods valued at \$175,300,000 during August, down 23.3% from last year's corresponding total of \$228,500,000 but during the January-August period purchased merchandise valued at \$1,538,900,000 up 1.3% from last year's like period total of \$1,519,400,000.

*4. Index of Industrial Production Canada's seasonally adjusted index of industrial production advanced by 0.9% in July, rising to 283.1 from the revised June level of 280.7. The gain left the index, which measures approximately 1/3 of the economy, about 1% higher than in December, 1966. Returning to the July movements all three principal components contributed to the gain as mining rose by 0.7%, electric power and gas utilities by 0.9% and manufacturing by 0.8%. In terms of contribution, however, about three fourths of the gain occurred in manufacturing and all of this originated in durables.

In durables manufacturing most of the gain occurred in the electrical apparatus and supplies group which rose by nearly 15%. Well over half of this gain was due to gains in the heavy electrical machinery, miscellaneous electrical apparatus and refrigerators and appliances industries, each of which rose by more than 15% from the strike affected June levels. Telecommunication equipment (+12%) also contributed significantly to the 15% gain in electrical apparatus and supplies. Here the increase was in large part due to a relative seasonal increase in the production of auto radios. Transportation equipment rose by more than 3%. Although all components, with the exception of railway rolling stock, contributed to the increase, the major contribution was made by motor vehicles (+3%) and motor vehicle parts (+4%). Iron and steel products rose fractionally higher. This gain was primarily attributable to a large increase in heating and cooking apparatus and again some portion of this was due to recovery from labour disputes.

Decreases in durables ranged from fractional in wood products to 4% in non-ferrous metal products and non-metallic mineral products. In wood products the largest single factor in the decline was a 9% drop in veneers and plywoods which would appear to be due to a decrease in production in order to adjust for rather high inventories and to allow for decreased exports. Primary iron and steel fell by 1.1%.

Turning to non-durables manufacturing, which fell by 0.4%, the small movement in the aggregate part obscured rather large movements within the detail. Of the eleven major components six rose while 5 fell. Increases ranging from fractional in chemicals and allied products to 16% in rubber products only partially offset decreases in textiles, printing, publishing and allied industries, products of petroleum and coal, miscellaneous manufactures and tobacco products of 8, 4, 4, 1 and 1% respectively. Nearly 90% of the decrease in textiles was caused by the 14% fall in synthetic textiles and silk.

As noted above mining rose by 0.7%. All of this gain originated in fuels, which rose by 2%, as both metals and non-metals fell fractionally. Although both natural gas and petroleum contributed to the fuels rise the bulk of it was due to the petroleum increase. In part this in turn was due to increased exports to the United States to allow the reallocation of tanker transport to cope with pipe line shutdowns in the Arab countries and the closing of the Suez Canal.

Real Domestic Product Seasonally adjusted real domestic product less agriculture for the second quarter of 1967 rose by 1.5%, following the decline of 0.3% that occurred in the first quarter of this year. This rise can be compared with the quarter-to-quarter gains of 2.2%, 1.0%, 0.2%, and 1.8% that were realized during 1966, and the gains of 2.4, 1.4, 2.0 and 2.1% that occurred in 1965.

The increase in total non-agricultural output was almost entirely the result of an expansion in the service-producing industries, which rose by 2.8%, compared to the 0.3% increase that was recorded for the goods-producing industries. The size of the expansion in the service-producing industries is illustrated by the fact that the percentage increase for these industries in the second quarter of 1967 has been exceeded only twice since the first quarter of 1946 (in the fourth quarter of 1958 and the first quarter of 1947).

Within the service-producing industries, wholesale and retail trade, which advanced by 4.5%, made the largest contribution toward the second-quarter increase. Sales of motor vehicle dealers, which rose by approximately 9 1/2%, had the most significant increase of the retail trade components. Two of the service industries showed the effects of Expo (although other service industries were also probably affected) - the community, recreation, business and personal service grouping, which grew by 3.5%, and the transportation, storage and communication grouping, which increased by 3.2%.

Within the goods-producing industries, mining rose by 2.8%, mainly because of an expansion in crude petroleum that more than offset a large drop in the iron ore component. Manufacturing advanced by 0.4%, and, in contrast to most quarters, made only a relatively minor contribution to the change in total non-agricultural output. Almost all of this small contribution came from the manufacturing of non-durables, which increased by 0.9%, chiefly in the textile products and foods and beverages groups. Durables manufacturing was unchanged from its first-quarter level, but the manufacture of motor vehicles rose by nearly 11%.

Construction, which was affected by strikes, dropped by 3.2%, because of a fractional decline in private construction and a more than 9% fall in public construction. Within the private construction component, however, there was an almost 19% increase in housing, that was more than offset by a large decrease in non-residential construction.

Non-agricultural real output in the first six months of this year rose by 3.0% over the first six months of 1966, on a seasonally unadjusted basis. An assumption of a 1% increase, on a seasonally adjusted basis, in each of the last two quarters of 1967 would result in a 3.4% increase for 1967 as a whole, while a 2% increase would result in a 4.2% increase for the year. If production declines by one per cent in each of the remaining quarters, the increase for the year would be only 1.8%.

VITAL STATISTICS

5. Births, Deaths and Marriages Births recorded in provincial offices during August were down 9.7% to 32,713 in the same month last year with decreases reported in all provinces except Prince Edward Island. The greatest drop occurred in Quebec where the rate was down to 8,994 from 11,364 in the 1966 month. During the eight-month period births registered declined 4.6% to 254,011 this year from 266,257 in the 1966 month, with rises reported in British Columbia, Quebec and Alberta and declines in all other provinces.

There were 19,845 marriages registered in August compared with 20,438 in the previous month and 20,544 in August 1966. Deaths numbered 12,654, slightly higher than the corresponding 1966 total of 12,460.

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*6. Motor Vehicle Traffic Accidents Motor vehicle traffic accidents on Canadian streets and highways claimed 608 lives in July, up 9.5% from 1966's July total of 555. The regional death toll was as follows: Newfoundland, 3 (9 in July 1966); Prince Edward Island, 6 (6); Nova Scotia, 28 (30); New Brunswick, 31 (25); Quebec, 206 (214); Ontario, 184 (150); Manitoba, 22(20); Saskatchewan, 48 (24); Alberta, 35 (31); British Columbia, 43 (45); and the Yukon and Northwest Territories, 2 (1).

When comparing the number of traffic deaths in this release with those in the annual Dominion Bureau of Statistics report, "Vital Statistics", please note the explanation in the Daily Bulletin of April 13, 1967.

Province	Number of Accidents				Total July 1966	Number of Victims		Total Property Damage(1)
	Fatal	Non-fatal injury	Property Damage Only(1)	Total		Persons Killed	Persons Injured	
	July 1967					July 1967		
								\$(1000)
Nfld.	3	79	242	324	608	3	113	157
P.E.I.	5	44	103	152	171	6	57	67
N.S.	26	301	878	1,205	1,000	28	446	666
N.B.	28	289	557	874	899	31	472	649
Que.(2)	169	2,141	5,911	8,221	10,356	206	3,558	..
Ont.	135	4,262	7,313	11,710	11,065	184	6,741	6,738
Man.	18	502	940	1,460	1,337	22	798	711
Sask.	31	519	1,471	2,021	1,754	48	893	1,202
Alta.	30	570	2,401	3,001	2,950	35	929	1,633
B.C.	35	1,006	2,735	3,776	3,512	43	1,649	2,239
Yukon & N.W.T.	2	27	35	64	62	2	37	43
July 1967 ...	482	9,740	22,586	32,808		608	15,693	14,105(3)
July 1966 ...	458	10,284	22,972		33,714	555	16,313	12,896(3)

- (1) reportable minimum property damage \$100
- (2) excluding City of Montreal except for fatal accidents and persons killed
- (3) excluding Quebec
- .. not available

C E N S U S

7. Number and Area of Census-farms and Commercial Farm for Counties and Census Subdivisions The total number and area of census-farms and commercial farms as reported in the 1966 Census of Agriculture for each census subdivision(municipalities where applicable) are presented in the Dominion Bureau of Statistics report, "Number and Area of Census-farms and Commercial Farms for Counties and Census Subdivisions". Figures from the 1961 Census of Agriculture are also presented to enable a comparison. Similar information for the provinces and census divisions or counties was released on April 14, 1967.

*8. Man-Hours and Hourly Earnings Average weekly wages in manufacturing decreased slightly from June to \$96.34 in July, according to data that will shortly be published in the monthly Dominion Bureau of Statistics report "Man-Hours and Hourly Earnings". This was the result of a 0.4 hour decline in average weekly hours; average hourly earnings showed no change at \$2.39. Compared with July 1966, average weekly hours were 0.4 hours lower and average hourly earnings 16 cents higher.

In construction, average weekly wages increased from June to \$132.44 in July as a result of a 0.6 hour increase in average weekly hours; average hourly earnings were unchanged at \$3.08. In the year-over-year comparison, average weekly hours were 1.3 hours lower and average hourly earnings 34 cents higher.

	Average Weekly Hours		Average Hourly Earnings			Average Weekly Wages			
	July 1967	June 1967	July 1966	July 1967	June 1967	July 1966	July 1967	June 1967	July 1966
	number			dollars			dollars		
Manufacturing	40.2	40.6	40.6	2.39	2.39	2.23	96.34	97.13	90.46
Durables	40.6	41.1	41.0	2.58	2.57	2.41	104.57	105.65	98.66
Non-durables	39.9	40.1	40.3	2.22	2.21	2.05	88.44	88.77	82.53
Mining	40.9	42.3	41.6	2.87	2.83	2.57	117.55	119.78	106.73
Construction	43.0	42.4	44.3	3.08	3.08	2.74	132.44	130.66	121.55
Building	40.2	39.8	41.4	3.15	3.15	2.82	126.80	125.49	116.91
Engineering	47.7	47.1	49.3	2.98	2.97	2.63	142.23	140.14	129.51

The index number (1961 = 100) of average hourly earnings in electrical industrial equipment in July was 122.4.

*9. Advance Statement on Employment and Average Weekly Wages and Salaries The July unadjusted composite index of employment (1961 = 100) increased slightly to 125.6 from 125.3 in June and was 1.4% higher than in July of last year. Seasonally-adjusted, the index at 122.3 was 0.2% higher than last month.

Seasonally-adjusted employment indexes. Among the industry divisions, increases were recorded in manufacturing (1.5%), mining (0.5%) and finance, insurance and real estate (0.4%). All other industry divisions showed decreases ranging from 0.1% in trade to 3.8% in forestry. Among the regions, increases were recorded in Ontario and the Atlantic Region; the other regions showed decreases.

Average Weekly Wages and Salaries. At the composite level, average weekly wages and salaries at \$103.27 were slightly higher than in June and \$6.60 higher than in July of last year. All industry divisions showed small increases over June except mining and manufacturing, where decreases were recorded. Changes among the regions were negligible. In the year-over-year comparison, the largest industrial gain was in construction (\$10.58) and the largest regional increase was in British Columbia (\$7.21).

CONSTRUCTION

10. New Residential Construction Starts in centres of 10,000 population and over increased to 14,965 in July from 10,042 in the 1966 month and during the cumulative period increased to 71,235 from 57,093 last year. July completions numbered 9,232 while those in the January-July period numbered 63,127 against 83,151 in the 1966 period. Units under construction at July 31 numbered 79,031 against 72,318 last year.

*11. Railway Operating Statistics Twenty-three common carrier railways in Canada reported operating revenues of \$139,437,511 for June, up 5.4 per cent from the previous year, according to an advance release of data that will be contained in the June issue of the D.B.S. report, "Railway Operating Statistics". Railway operating expenses rose 5.8 per cent to \$124,189,382 during June, resulting in an operating profit of \$15,248,129 compared to one of \$14,930,259 in June 1966.

Railway Operating Revenues, Expenses and Net Income

June, 1967

	Total 23 railways	C.N.R.	C.P.R.
	\$	\$	\$
Operating Revenues	139,437,511	71,887,183	51,264,919
Freight(1)	109,008,834	52,337,764	41,490,821
Passenger	10,795,724	7,635,397	2,955,491
Operating Expenses	124,189,382	64,809,751	46,505,407
Road and equipment maintenance	50,553,349	27,499,971	18,261,865
Transportation	45,702,403	24,511,453	17,233,281
Net Income	15,248,129	7,077,432	4,759,512
Operating ratio %	89.06	90.15	90.72

(1) Includes payments related to the National Transportation Act.

A total of 21,189,017 tons of revenue freight was handled by the railways during June, down 0.3 per cent from the 1966 month, while ton-miles increased 1.4 per cent to 8,663,145. Average miles of road operated (first main track) fell from 43,983 to 43,907. Passengers carried at 1,869,063 were up 2.1 per cent from June 1966. Commuter movements which do not include Government of Ontario (Go) rail commuter operations registered a decrease of 4.5 per cent while non-commuter traffic influenced somewhat by the Montreal World's Fair rose 9.8 per cent. Employment in the industry at 136,436 was up 1.3 per cent from June 1966.

12. Carloadings Revenue freight carloadings during the seven days ended September 21 decreased 10.4% to 79,656 from the previous year. During the cumulative period they declined 4.2% to 2,770,426. Piggyback loadings dropped 5.2% to 4,115 during the current period and 6.4% to 127,878 in the year-to-date. Receipts from Canadian and United States rail connection rose 19.4% to 23,435 in the seven-day period and declined 0.5% to 901,141 cars in the thirty-five week period.

Commodities reflecting reduced activity during the current period included: wheat, 2,834 (7,717 in 1966); coal, 2,415 (3,209); iron ore, 11,480 (12,816); building sand, gravel and crushed stone, 3,463 (4,303) and miscellaneous carload commodities, 9,049 (10,149). Items needing more cars were copper-nickel ores and concentrates, 2,252 (774) and "other" mine products, 2,899 (2,269).

*13. Shipping Statistics Cargo handled in international seaborne shipping at Canadian ports during June 1967 increased by 6.5% to 14,782,798 tons from 13,876,161 tons handled in the corresponding month of 1966, according to an advance release of data that will be contained in the June issue of the D.B.S. report "Shipping Statistics". Loadings during the month increased 4.5% to 9,068,070 tons from 8,678,714 tons in June 1966 while unloadings increased 10.0% to 5,715,728 tons from 5,197,447 tons.

During June the commodities loaded in greatest volume were: iron ore, 4,187,895 tons (3,938,413 tons in June 1966); wheat, 1,512,169 tons (1,493,539); lumber and timber, 417,952 tons (345,897); newsprint paper, 378,957 tons (293,631); and gypsum, 303,844 tons (585,655). The commodities unloaded in greatest volume were: bituminous coal, 2,068,214 tons (2,092,949 tons in June 1966); crude petroleum, 753,503 tons (575,003); fuel oil, 708,597 tons (438,922); iron ore, 475,938 tons (627,354); and alumina and bauxite ore, 373,525 tons (83,090).

Canadian ports handling the largest volume of freight during June were: Sept-Illes 2,216,287 tons (2,094,730 tons in June 1966); Port Cartier, 1,389,008 tons (956,890); Montreal, 1,265,567 tons (423,470); Vancouver, 1,197,164 tons (1,020,763); and Hamilton, 872,890 tons (1,030,193).

14. Passenger Bus Statistics Passengers carried by 43 intercity and rural bus companies during July numbered 4,748,089 compared with 4,614,354 transported by 44 companies in the 1966 month. Total operating revenue for July amounted to \$9,188,505, up 20.7% over the \$7,614,352 reported in the same month last year.

15. Urban Transit Initial passenger fares (excluding transfers) collected by urban transit systems during July numbered 87,221,614, up 20.4% from the 72,428,761 reported in the corresponding 1966 month. Initial passenger fares collected on motor buses increased to 54,357,905 from 49,837,378 in July last year. Total operating revenues rose to \$18,178,607, up 46.3% from the \$12,427,542 reported in the 1966 month.

P R I C E S

*16. Weekly Security Price Indexes

	Number	Sept. 28/67	Sept. 21/67	Aug. 31/67
	Stocks	This week	Week ago	Month ago
	Priced	(1956 = 100)		
<u>Investors Price Index</u>				
Total index	114	181.6	181.0	179.0
Industrials	80	192.0	190.5	187.3
Utilities	20	172.7	172.8	174.3
Finance(1)	14	142.5	145.2	144.6
Banks	6	144.2	146.9	144.1
<u>Mining Stocks Price Index</u>				
Total index	24	106.0	104.7	103.1
Golds	13	137.8	134.5	134.0
Base metals	11	88.6	88.4	86.1
<u>Supplementary Indexes</u>				
Uraniums	6	288.5	279.6	246.0
Primary oils and gas	6	209.3	216.4	214.1

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

- *17. Steel Ingots Steel ingot production during the week ending September 30 totalled 196,615 tons, up 2.7% from the preceding week's total of 191,380 tons. Output during the comparable week of 1966 was 204,300 tons. The index of production, based on the average weekly output during 1957-1959 equalling 100, was 205 in the current week, 199 a week earlier and 213 one year ago.
18. Raw Hides, Skins and Finished Leather Stocks of raw hides and skins held by packers, dealers and tanners at July 31 were as follows: cattle hides, 354,783 (383,491 in the 1966 month); calf and kip skins, 202,737 (176,492); sheep and lamb skins, 43,999 dozen (24,645); goat skins, 10,397 (17,617); horsehides, 7,445 (3,957); all other hides and skins, 810 (1,895).
19. Gold Production Canadian gold production dropped 9.1% to 239,280 troy ounces in July from 264,625 in the 1966 month. Production by regions was as follows: Atlantic provinces, 1,520 troy ounces (2,639 in July 1966); Quebec, 67,237 (72,576); Ontario, 122,072 (127,972); Prairie Provinces, 8,187 (8,109); British Columbia, 12,154 (12,223); Yukon, 602 (6,328); Northwest Territories, 27,508 (34,778).

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

20. New Motor Vehicle Sales January-July sales of new motor vehicles numbered 517,145 up 1.7% from last year's like period total of 508,634. Of this total, passenger vehicles numbered 430,959 this year (424,865 in 1966) and commercial vehicles, 86,186 (83,769). Retail value during the seven month period amounted to \$1,733,868,000 of which \$1,371,785,000 included passenger car sales and \$362,983,000 commercial vehicles sales.
21. Chain Store Sales and Stocks Chain store sales during July totalled \$596,176,000 up 4.6% over last year's corresponding total of \$569,789,000, with stocks at cost at the first of the month rising 5.5% to \$1,082,811,000 from \$1,026,753,000.
22. Department Store Sales Department store sales by regions during the week ending August 16 rose 3.7% over the same week last year with regional changes as follows: Atlantic Provinces, +15.0%; Quebec, +7.8%; Ontario, +6.4%; Manitoba, -32.1%; Saskatchewan, -4.4%; Alberta, +9.4%; British Columbia, +5.8%.
23. Farm Implement and Equipment Sales Sales of farm implement and equipment, including all repair parts, totalled \$232,419,000 in the seven-month period, up 5.5% from 1966's corresponding total of \$220,294,000. Sales of repair parts during the same period mounted to \$37,253,000, a 3.3% rise over last year's \$36,074,000.

T R A V E L

24. Non-Resident Vehicles Entering Canada Entries of vehicles registered in other countries totalled 1,973,668 in August, an increase of 209,515 or 11.9% over the August 1966 total of 1,764,153. Substantial increases were reported in Quebec and Manitoba. Cumulative data for the first eight months show an increase of 916,428 entries to 8,798,559 this year, up 11.6% over 1966's total of 7,882,131.

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

- *25. Miscellaneous Food Preparations The following revisions covering salad dressing and mayonnaise have been made in the publication, "Miscellaneous Food Preparations" (32-018): March 1967 issue, 14,491,059 pounds revised to 13,607,297 pounds and June 1967 issue, 23,952,117 pounds revised to 22,810,436 pounds. Total six month figures have been changed from 38,443,176 pounds to 36,417,733 pounds.

26. Farm Cash Receipts Farmers' total cash receipts from farming operations reached an estimated \$2,139,700,000, according to preliminary estimates for the first six months of 1967. This is about 10% above the figure of \$1,939,500,000 realized during the first half of 1966 and approximately 23% higher than the 1965 estimate of \$1,735,100,000 for the corresponding period. These estimates include cash receipts from the sale of farm products, Canadian Wheat Board participation payments on previous years' grain crops, net cash advances on farm-stored grains in Western Canada, deficiency payments made by the Agricultural Stabilization Board and Supplementary payments to dairy producers. These estimates make no allowance for cost of production of commodities sold.

The increase in total farm cash receipts between the first half of 1966 and the first half of 1967 is largely attributable to higher total cash returns from the sale of wheat, barley, tobacco, cattle, dairy products and poultry meat, and a substantial increase in Canadian Wheat Board participation payments and dairy support payments. Reduced returns were recorded for several commodities with the most important being flaxseed, potatoes and hogs.

Total cash receipts were up in all provinces except Prince Edward Island and New Brunswick where lower total cash income reflected a substantial reduction in returns from potatoes. The increases in total cash receipts recorded for the remaining provinces ranged from less than 2% in Nova Scotia, Manitoba and British Columbia to nearly 20% for Saskatchewan.

In addition to the above income, farmers also received supplementary payments amounting to \$2,600,000 during the January-June period of 1967. This contrasts with \$30,500,000 received during the first half of 1966. These payments consist of those made under the provisions of the Prairie Farm Assistance Act and those covering other government assistance to farmers who suffered losses as a result of adverse weather conditions. When added together, farm cash receipts from farming operations and supplementary payments totalled \$2,142,300,000 about 9% above the estimate of \$1,970,100,000 a year earlier.

Provincial farm cash receipts (excluding supplementary payments) are as follows in thousands of dollars for the first six months of 1967 with comparable 1966 data in brackets: Prince Edward Island 15,828 (19,404); Nova Scotia 24,952 (24,671); New Brunswick 22,638 (28,406); Quebec 279,650 (260,857); Ontario 616,886 (561,469); Manitoba 171,005 (168,733); Saskatchewan 521,979 (436,675); Alberta 413,031 (366,811); British Columbia 73,724 (72,498).

*27. Fruit and Vegetable Packs Pack of fruits and vegetables as reported up to the end of August was as follows: canned: apricots, 79,384 cases; sweet cherries, 321,457; sour cherries, 219,014; peaches, 331,864; raspberries, 203,817; strawberries, 122,890; asparagus, 387,012; green beans, 1,068,045; wax beans, 1,894,670; corn, all types, 1,339,848; peas, 3,460,016; tomatoes, 282,625; tomato juice, 1,666,562; frozen: apricots, 93,307 pounds; sweet cherries, 230,233; sour cherries, 10,828,533; peaches, 182,761; raspberries, 12,791,608; strawberries, 16,825,218; asparagus, 894,295; green beans, 10,905,373; wax beans, 2,065,429; corn, 6,422,289; peas, 50,381,629.

*28. Tax Collections on Tobacco Canadian excise tax collections on tobacco products in August were as follows: cigars -- domestic \$398,000, importations \$22,000; cigarettes -- domestic \$25,931,000, importations \$87,000; manufactured tobacco -- domestic \$1,425,000, importations \$93,000.

**DEODORIZED SALAD OIL PRODUCTION AND MANUFACTURERS' SALES
OF SALAD OIL PRODUCTS**

DEODORIZED SALAD OIL PRODUCTION	MANUFACTURERS' SALES OF SALAD OIL PRODUCTS				
	Packaged Sales		Bulk Sales		
	Retail 20 lbs. or less	Commercial 21-450	To Bottlers	To others	
Thousands of pounds					
Jan.	8,434	3,225	978	2,186	1,874
Feb.	10,159	3,122	864	2,941	2,377
March	10,677	3,652	904	2,582	3,009
April	11,584	2,781	994	2,436	3,268
May	11,196	3,521	1,242	2,956	3,541
June	10,401	3,767	1,036	2,342	2,374
July	8,288	2,836	531	2,034	3,016
August	7,678	2,751	986	2,693	1,942

**DEODORIZED SHORTENING OIL PRODUCTION AND MANUFACTURERS'
SALES OF SHORTENING AND SHORTENING OIL PRODUCTS
(Including baking and frying oils and fats)**

DEODORIZED SHORTENING OIL PRODUCTION	MANUFACTURERS' SALES OF SHORTENING AND SHORTENING OIL PRODUCTS				
	Packaged Sales		Bulk Sales		
	Retail 20 lbs. or less	Commercial 21-450	To Packagers	To others	
Thousands of pounds					
Jan.	22,217	4,102	10,717	433	6,041
Feb.	19,870	4,183	10,096	1,159	5,150
March	24,650	3,886	11,698	1,366	6,531
April	22,589	3,958	11,484	1,492	6,699
May	23,481	3,778	12,549	1,688	7,246
June	23,112	3,073	11,555	2,825	5,551
July	19,166	2,302	11,601	2,493	4,683
August	24,250	3,578	12,540	1,533	6,557

DEODORIZED MARGARINE OIL PRODUCTION AND MANUFACTURERS' SALES
OF MARGARINE PRODUCTS

	OIL PRODUCTION	MANUFACTURERS' SALES			USED FOR OTHER PROCESSES
		Retail 20 lbs or less	PACKAGED Commercial 21-450	BULK SALES TO PACKAGERS	
Thousands of pounds					
Jan.	12,939	15,582	256	8,096	15
Feb.	11,518	15,532	228	7,026	27
March	12,696	15,611	222	7,755	25
April	10,349	13,859	252	5,680	82
May	11,778	15,571	288	7,699	22
June	11,839	13,798	258	7,397	30
July	8,687	12,111	194	5,351	20
August	10,732	14,361	310	5,994	74

(continued)

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

*30. Forage Seed Report The following figures are those reported by major processing firms in the seed industry for August 1967. For this month pedigreed seed has been included with commercial seed.

Kind of Seed	Purchases	Sales to Domestic Trade	Exports Reported	Month End Inventory in Processors Hands
	from Growers & Primary Cleaners			
	lbs.	lbs.	lbs.	lbs.
Alfalfa	7,100	15,500		1,316,000
Bentgrass	(1)	15,000		80,500
Birdsfoot Trefoil	13,600	2,700		76,400
Bluegrass Kentucky	(1)	189,000		528,100
Bluegrass Canada		(1)		15,800
Bluegrass - other varieties	(1)	103,900		175,800
Bromegrass	1,100,200	10,400		2,769,100
Clover Alsike	2,721,000	5,000	(1)	5,310,600
Clover Red Double Cut	74,600	3,400	(1)	423,800
Clover Red Single Cut	804,600	(1)	133,900	5,264,600
Clover Sweet White Blossom	(1)	1,200		375,600
Clover Sweet Yellow Blossom	730,700	2,700	(1)	4,188,900
Clover White tall growing	(1)	2,400		90,400
Clover White low growing	21,100	4,700		289,200
Fescue Creeping Red	3,105,500	190,600	568,000	6,380,400
Fescue Meadow	3,121,800	2,000	(1)	5,495,500
Fescue Tall	(1)	4,600		305,100
Orchard Grass	(1)	4,500		316,600
Red Top		13,500		89,000
Red Canary Grass	790	1,400		85,600
Russian Wild Ryegrass	(1)	1,600		304,000
Ryegrass Annual		16,000		242,900
Ryegrass Perennial	(1)	33,800		226,400
Timothy	2,485,200	15,300	179,300	6,787,500
Wheatgrass Crested	25,700	8,200		412,200
Wheatgrass Intermediate				114,700
Wheatgrass Pubescent		(1)		98,200
Wheatgrass Slender		(1)		65,500
Wheatgrass Tall	(1)			35,300

(1) Indicates less than 3 firms reporting

The above figures are the totals reported by co-operating companies. No estimates for non-reporting firms are included. This release is based on a recently instituted monthly survey of the Canadian Seed Trade.

*31. Fish Landings for British Columbia

Major Species	August 1967	
	Quantity '000 lb.	Value \$'000
Groundfish		
Cod	948	63
Lingcod	680	57
Haddock	-	-
Pollock	-	-
Hake	-	-
Redfish	-	-
Halibut	3,907	984
Flounders and Soles	1,426	87
Other unspecified	182	26
Total	7,143	1,217
Pelagic & Estuarial		
Herring	33	2
Mackerel	-	-
Salmon	48,830	12,046
Swordfish	-	-
Other unspecified	633	27
Total	49,496	12,075
Molluscs & Crustaceans		
Crabs	496	69
Lobster	-	-
Oysters	352	28
Scallops	-	-
Other unspecified	73	10
Total	921	107
Total - All Species	57,560	13,399

32. Hogs Hogs on Canadian farms, excluding Newfoundland, at September 1 numbered an estimated 6,251,000, up 6% from the corresponding 1966 count of 5,923,000. Numbers are up 4% in the east and 8% in the west. The forecast of farrowings for the September-November period is 303,700, an increase of 9% above the fourth quarter farrowings of 1966.

33. Egg Production Canadian egg production rose 13.6% in August to 35,295,000 dozen from 31,074,000 in the 1966 month. The farm price of eggs sold for market during the month dropped to 33.4 cents per dozen from 46.4 cents in August last year. During the cumulative period egg production increased 6.4%.

RELEASED THIS WEEK

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

- *1. Gross National Product, Second Quarter, 1967
- 2. Quarterly Estimates of the Canadian Balance of International Payments, Second Quarter 1967, (67-001), 5¢/\$2.00
- *3. Commodity Exports, August 1967

- *4. Index of Industrial Production, July 1967
- 5. Vital Statistics, August 1967, (84-001), 10¢/\$1.00
- *6. Motor Vehicle Traffic Accidents, July 1967
- 7. Census of Canada, Agriculture: Number and Area of Census-Farms and Commercial Farms, 1966, (96-632), \$1.00 a year
- *8. Man-Hours and Hourly Earnings, July 1967
- *9. Advance Statement on Employment and Average Weekly Wages and Salaries, July 1967
- 10. New Residential Construction, July 1967, (64-002), 30¢/\$3.00
- *11. Railway Operating Statistics, June 1967
- 12. Carloadings, September 21, 1967, (52-001), \$3.00 a year
- *13. Shipping Statistics, June 1967
- 14. Passenger Bus Statistics, July 1967, (53-002), 10¢/\$1.00
- 15. Urban Transit, July 1967, (53-003), 10¢/\$1.00
- *16. Weekly Security Price Indexes, September 28, 1967
- *17. Steel Ingots, September 30, 1967
- 18. Raw Hides, Skins and Finished Leather, July 1967, (33-001), 10¢/\$1.00
- 19. Gold Production, July 1967, (26-004), 10¢/\$1.00
- 20. New Motor Vehicle Sales, July 1967, (63-007), 20¢/\$2.00
- 21. Chain Store Sales and Stocks, July 1967, (63-001), 10¢/\$1.00
- 22. Department Store Sales by Regions, August 16, 1967, (63-003), \$2.00 a year
- 23. Farm Implement and Equipment Sales, July 31, 1967, (63-009), \$1.00 a year
- 24. Non-Resident Vehicles Entering Canada, August 1967, (66-002), 10¢/\$1.00
- *25. Miscellaneous Food Preparations, March and June 1967, (32-018)
- 26. Farm Cash Receipts, April to June 1967, (21-001), 25¢/\$1.00 a year
- *27. Fruit and Vegetable Packs, August 1967
- *28. Tax Collections on Tobacco, August 1967
- *29. Deodorized Salad Oil Production and Manufacturers' Sales of Salad Oil Products, Deodorized Shortening Oil Production and Manufacturers' Sales of Shortening and Shortening and Shortening Oil Products and Deodorized Margarine Oil Production and Manufacturers' Sales of Margarine Products, August 1967
- *30. Forage Seed Report, August 1967
- *31. Fish Landings for British Columbia, August 1967
- 32. Report of Livestock Surveys: Hogs, September 1, 1967 (23-005), \$1.00 a year
- 33. Production of Eggs, August 1967, (23-003), 10¢/\$1.00
 - Domestic Washing Machines and Clothes Dryers, July 1967, (43-002), 10¢/\$1
 - Railway Transport, Part VI (Employment Statistics), 1966, (52-212), 50¢
 - Mineral Wool Manufacturers, 1965, (44-212), 50¢
 - Railway Express, 1966, (52-204), 25¢
 - Commercial Failures, Second Quarter 1967, (61-002), 25¢/\$1.00
 - Service Bulletin: Energy Statistics, September 26, 1967, (IND-SB-(2)- Vol. 2 - 23), \$5.00 a year
 - Second Estimate of the Commercial Production of All Fruits, 1967, (22-003) \$1.00 for 1967 series
 - Census of Canada: General Review, The Canadian Labour Force, 1961, (99-522), 75¢
 - Preliminary Report on Coal Production, August 1967, (26-002), 10¢/\$1.00
 - Estimates of Employees by Province and Industry, June 1967, (72-008), 10¢/\$1.00

- Summary of Canal Statistics, May 1967, (54-001), 10¢/\$1.00
- Quarterly Bulletin of Agricultural Statistics, April-June 1967, (21-003),
\$4.00 a year
- Man-Hours and Hourly Earnings, June 1967, (72-003), 30¢/\$3.00
- Grain Statistics Weekly, September 13, 1967, (22-004), \$3.00 a year
- Tobacco and Tobacco Products Statistics Quarterly, June 1967, (32-014),
50¢/\$2.00
- Statistics of Private Elementary and Secondary Schools, 1966-67, (81-215),
25¢
- Federal Government Employment, January 1967, (72-004), 30¢/\$3.00
- Electric Power Statistics, July 1967, (57-001), 10¢/\$1.00
- Production, Shipments and Stocks on Hand of Sawmills East of the Rockies,
July 1967, (35-002), 20¢/\$2.00
- Footwear Statistics, June 1967, (33-002), 20¢/\$2.00
- Domestic Refrigerators and Freezers, July 1967, (43-001), 10¢/\$1.00
- Hardboard, August 1967, (36-001), 10¢/\$1.00
- Annual Report: Dominion Bureau of Statistics, Fiscal Year Ended March 31
1966, (11-201), 40¢
- Specified Domestic Electrical Appliances, July 1967, (43-003), 10¢/\$1.00
- Silver, Lead and Zinc Production, July 1967, (26-008), 10¢/\$1.00
- Copper and Nickel Production, July 1967, (26-003), 10¢/\$1.00
- Service Bulletin: Food and Beverage Processing, October 5, 1967,
(IND-SB-(1)56), \$5.00 a year
- Daily Bulletin Supplement: Federal Government Expenditures on Scientific
Activities, Fiscal Year 1965-66 - Business Finance Division No. 4

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