

This latest development left the total index of production for this year's January-June period higher by almost 5.5 per cent than during the first six months of 1962. During the second quarter, on a seasonally-adjusted basis, total industrial production was higher by about 1.9 per cent than in the first quarter.

DURABLES

In durable manufactures, which fell marginally in June to 174.7 from 174.8 in May, gains of 1 per cent occurred in wood, iron and steel products and transportation equipment. These were offset by slight declines in both non-ferrous metal products and electrical apparatus and supplies, and a 6 per cent decrease in non-metallic mineral products. The latter followed the sharp increase in this group recorded in May. Elsewhere in the detail, iron castings, primary iron and steel and motor vehicles remained high in June.

NON-DURABLES

The output of non-durables edged slightly more than 0.5 per cent in June (to 173.9 from 172.8) as a result of mixed movements. Gains from 1 per cent to 3 per cent were recorded in chemicals, printing and publishing, foods and beverages, leather products, petroleum refining and rubber and textile products. Tobacco, clothing and paper products were lower in June, the latter owing to a decline in pulp and paper output. Again in this industry, the decline followed an unusually large increase in May.

CHINESE TRADE WITH CANADA

The Minister of Trade and Commerce, commenting recently on the new long-term wheat agreement between the Canadian Wheat Board and the Chinese state-trading corporations, said it would mean additional export sales of wheat estimated at between \$215 million and \$360 million over the next three years. Mr. Sharp said that, under these circumstances, it was natural and reasonable that the Chinese state-trading corporations should wish to sell their products in Canada. However, in the negotiations, the Chinese representatives had recognized that it was in the mutual interest that there should be special arrangements to avoid disruption of markets and damage to Canadian producers. Accordingly, they had undertaken to limit

their annual exports to Canada of sensitive items to \$7 million. To ensure that Chinese sales would not be concentrated in any particular sector of trade, separate limitations had been established for some 30 items, mostly textile products, within the total limit of \$7 million of sensitive items.

GOLD PRODUCTION

June production of gold declined 1.7 per cent, to 331,143 fine ounces from 336,807 in the same month last year. With a lone increase in May, output in the January-June period fell 4.3 per cent, to 2,009,422 fine ounces from 2,100,138 in the first half of 1962. Output was larger than a year earlier both in June and the January-June period in the Atlantic Provinces and the Yukon and smaller in Quebec, Ontario, British Columbia and the Northwest Territories. Output in the Prairie Provinces was up in the month and down in the half year.

June production totals were: Atlantic Provinces, 1,821 fine ounces (1,333 in June 1962); Quebec, 77,541 (81,991); Ontario, 193,439 (193,611); Prairie Provinces, 10,177 (9,781); British Columbia, 14,952 (13,234); Yukon, 3,628 (2,614); and the Northwest Territories, 29,585 (34,243).

January-June totals were: Atlantic Provinces, 5,629 fine ounces (5,300 in 1962's first half); Quebec, 483,284 (504,078); Ontario, 1,181,210 (1,245,351); Prairie Provinces, 59,853 (64,756); British Columbia, 82,779 (81,115); Yukon, 4,361 (3,487); and the Northwest Territories, 192,306 (196,051).

NEW DEAL FOR CANADIAN MUNICIPALITIES

(Continued from P. 2)

to be financed under this new programme, so that a maximum amount of additional employment may be created in this coming winter. I should also like to emphasize how important it is that the municipal officials, by taking advantage of this Fund, do everything they can to increase the level of employment in their communities over the next two and a half years. The success of the Municipal Development and Loan Fund can be of great benefit to all of us. That success will depend primarily on those of you who are responsible for government at the municipal level and upon the co-operation of the provincial governments concerned.

(Continued on P. 4)