

since the bulk of these requirements were met, on balance, by cut-backs in the inventory sector. Inventory stocks, which were still accumulating in the second quarter, were drawn down considerably in the third quarter.

INCOME DEVELOPMENTS

Turning to developments on the income side, all major components of national income showed relatively greater strength in the third quarter; national income as a whole showed a gain of 1.0 per cent, in contrast to the decline of over 1.5 per cent which occurred in the second quarter of the year. At the same time disposable income, which had shown a drop of about 1.5 per cent in the previous quarter, advanced by more than 2.0 per cent, as higher earnings from productive activity were supplemented by increased transfer payments from government and a decline in direct personal tax collections. The rate of personal saving made a substantial recovery, to 6.0 per cent of disposable income, following the steep decline of the second quarter.

In the first nine months of this year, the gross national product has averaged 2.9 per cent above the same period of 1959. Approximately half this increase represents a further advance in final product prices, so that in physical volume terms the gross national product shows a gain of about 1.5 per cent. The post-war average increase in the physical volume of output has amounted to approximately 4.0 per cent a year, and was 3.5 per cent in the year 1959.

Related indicators of real output by industry show little overall change in the volume of production between the second and third quarters, on a seasonally adjusted basis. Production in both the goods-producing and the service-producing industries showed only fractional movements.

Within the major goods-producing industries, production was off by 1.0 per cent in manufacturing and by 2.0 per cent in mining, but these declines were offset by a moderate increase in output in construction and public utilities and a substantial gain in output in forestry.

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NEW PRIVY COUNCIL APPOINTMENT

Prime Minister Diefenbaker recently announced that the Governor-General had approved the appointment of Mr. Robert H. McGregor, Member of Parliament, as a member of the Canadian Privy Council. Mr. Diefenbaker referred to Mr. McGregor's "lifetime of public service", which had included terms of office as Reeve of York Township and of East York. "He has now", the Prime Minister concluded, "completed 34 years in the House of Commons and is the Dean of the House, or, in the usage of the United Kingdom House of Commons, the Father of the House, in that he has longer continuous service than any other Member."

EXPORTS AND IMPORTS

Canada's commodity exports to all countries were 6.4 per cent higher in value in the first eleven months of 1960 than a year earlier, while imports were virtually unchanged, according to preliminary figures from the Dominion Bureau of Statistics. Exports in November decreased 4.0 per cent from the figure for the same month in 1959, while imports increased 7.2 per cent. The import balance in the January-November period was substantially smaller than in the like 1959 period, but in November there was an import balance in contrast to export balances in the four previous months and in November 1959.

OVERALL FIGURES

The value of commodity exports to all countries in the January-November period rose to \$4,953,800,000 from \$4,656,500,000 in the like 1959 period; imports were almost unchanged at \$5,069,400,000 against \$5,068,500,000. The import balance in the 11-month period was considerably lower than a year earlier, at \$115,600,000 against \$412 million. Commodity exports in November declined to \$475,700,000 from \$495,600,000 in the corresponding month last year, while the value of imports increased to \$514,900,000 from \$480,200,000. As a result, there was an import balance in November of \$39,200,000 as compared to an export balance of \$15,400,000 in the same month last year.

CANADA - U.S.

Commodity exports to the United States in the January-November period fell 2.1 per cent to \$2,817,600,000 from \$2,898,100,000, and imports were less than 0.1 per cent higher at \$2,412,900,000, against \$3,411,900,000. Exports to the United States in November fell 14.7 per cent to \$256,900,000 from \$301,200,000 in November of last year, while imports rose 7.2 per cent to \$326,100,000 from \$304,200,000. The month's import balance was sharply higher than a year earlier at \$69,200,000 against \$3 million, bringing the total for the 11-month period to \$595,300,000 as against \$513,800,000.

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JAMES IAU PRESIDENT

At the Third General Conference of the International Association of Universities held in Mexico City in September, 1960, the assembled universities of the world voted into office as their president for the next five years Dr. F. Cyril James, principal and vice-chancellor of McGill University, Montreal.

This well-earned personal tribute to Dr. James, who had played an outstanding role of leadership in the international affairs of universities during the past two decades, was also proclaimed throughout the academic world as a signal honour for Canada.