DAILY MARKET QUOTATIONS

SUMMARY

By THE CANADIAN PRESS
Toronto ... Market lower; heavy trading.
New York — Market irregularly higher; moderate trading.
Montreal — Market irregularly lower; active trading.

LIVESTOCK

TORONTO (CP) — Prices were steady on a fair demand for good and choice steers and lower grades of steers slow and under pressure at the Ontario public stockyards Tuesday.

Heifers, yearlings and cows were steady.

Veal calf prices were firm. Hog prices were lower and sheep and lamb prices were steady.

Slaughter cattle 3,096: Choice steers 23-23.50 with sales to 24 and a few fancy dressed steers to 24.80; good 21.50-22.50; medium 19-21; common 15 - 18; choice heifers 22.50-23.50; good 20-22; medium 17-19; common 14-16.50; choice fed yearlings 23.50-25.50; good 21 - 23; good cows 14-14.50 with sales to 15; medium 13-14; canners and cutters 8-13; good heavy bologna bulls 18-19; common and medium 15-17.

Slaughter cattle 1,000: good light stockers 23-25; mediums and commons 17-22.

Calves 639: Choice vealers 32-35 with sales to 38; good 28-31; medium 23-27; common 20-22; boners 14-19.

Hogs 1,740: Grade A at Toronto 25.35-26.70 closing at 26.15; heavy sows 17.35-17.50; stags 13.50 on a dressed weight basis.

Sheep and lambs 479: Good hundreweight lambs 22.50 per hundredweight; buck discounted at $1 per hundredweight; common and medium 16-21; sheep 5-10.

MONTREAL (CP) — Prices were steady to slightly lower on the east-end livestock market Tuesday. Trading was moderate under a fair demand.

Receipts: 128 cattle, 75 calves, 14 hogs and three sheep and lambs.

Medium cows 14.50, common 12-14 and canners and cutters 7-12.

Good bulls 19 and common and medium 11-16.

Good vealers 30 - 34, tops 35. Medium 23-26 and common 11-20.

Hog prices unsettled and no sales of sheep or lambs.

NEW YORK

NEW YORK (AP) — Aerospace issues were in a mixed stock market Tuesday following reports of possible budget cuts for various space projects. Trading was moderate.

Although the popular stock market indicators showed thin gains, 30 more stocks declined than advanced on the New York Stock Exchange.

The Dow Jones industrial average made a slim gain of .17 at 759.22.

The Associated Press average of 60 stocks edged up .2 at 283.4.

The behavior of the rails served to enhance the market's technical picture. Chesapeake and Ohio and Chicago and North Western each rose 1, Norfolk and Western gained 1½ and New York Central ¾.

Of 1,326 issues traded, losers outnumbered gainers by 541 to 511.

Volume was 4,540,000 shares compared with 4,440,000 Monday.

STUDEBAKER DOWN

Studebaker again headed the list of most active stocks but this time declines outnumbered gains by 4 to 1. Studebaker was down 1⅞ at 32¾ on 68,300 shares.

Boeing, down 1⅞, was the hardest hit among the aerospace defence stocks. It reacted to a report that its Dyna-Soar space glider is in trouble with administration budget cutters.

Canadian issues were mostly lower, with Granby Mining and Canadian Pacific each down ⅝, Hudson Bay Mining and Smelting and Walker Gooderham down ½; McIntyre Porcupine gained ⅞ and International Nickel was ahead ¼.

Prices moved irregularly lower on the American Stock Exchange where volume was 1,180,000 shares compared with 1,330,000 Monday. Canadian issues were mixed, with Scury Rainbow Oil up ¼ and Argo Oil ahead 1-16 while Jupiter Corp. and Canadian Javelin each lost ¼.

What stocks did:

	Tues	Mon
Advances	511	442
Declines	541	596
Unchanged	274	293
Total issues	1326	1331

NEW YORK CLOSING STOCKS
By The Associated Press

Beth Steel	20¼	Monty W	35⅞
Borg Warner	47	NY Cent	34⅞
C and O	6⅞	Radio Corp	95¼
Cons Edison	55¼	South Pacific	34¼
Gs Elec	85¼	Std Oil NJ	72⅝
Goodyear	42⅝	Utd Aircraft	43⅞
GI Nor Ry	54⅝	Vanadium	18
Int T T	54⅝	Westinghse	32⅝
Kennecott	66⅞		

MONTREAL

MONTREAL (CP)—The stock market lacked direction Tuesday on the Montreal and Canadian exchanges. The market opened on a weak note, firmed in the afternoon and tailed off toward the close.

The composite index was unchanged at 126.2 and declines headed advances 87 to 67.

Banks suffered losses, dropping 0.5 to 123.9. Imperial fell ⅝ and Toronto-Dominion, Royal Nova Scotia and Montreal ¼ each.

In senior base metals, Falconbridge gained a point, International Nickel ⅝ and Noranda and Consolidated Mining ¼ each. Hudson Bay Mining dropped ½ and Hollinger ¼.

Utilities were off 0.5 at 121.1.

Interprovincial Pipe Lines slipped ½. B.C. Telephone ⅝ and Maritime Telephone, CPR and Bell Telephone ¼ each.

Papers were unchanged at 113.9. Great Lakes gained ⅜ and Fraser ¼. B.C. Forest and Consolidated lost ¼ each.

Industrials were steady at 127.7. Rothmans and Du Pont added ⅜ each and Famous Players, Zellers and Dominion Glass ¼ each. Simpsons dropped ½, Imperial Tobacco ¼ and Chemcell, Canadian Utilities, Electrohome, Steel-Sidley and Massey-Ferguson ⅛ each.

Oils were slightly higher. Impact added ⅛ and Pacific Petroleum and B.A. Oil ⅛ each.

In food and beverage issues, Walker-Gooderham fell a point and Distillers-Seagrams and Atlantic Sugar ¼ each. Loblaw A and Dominion Stores gained ⅛ each.

In speculative mines, Transterre turned over 261,500 shares, gaining 10 cents, and Talisman rose three cents. East Ventures dropped 12 cents and Bruneau two cents.

MONTREAL CLOSING STOCKS
By The Canadian Press
Montreal Stock Exchange—Dec. 10
Complete tabulation of Tuesday transactions. Quotations in cents unless marked $. z—Odd lot, xd—Ex-dividend, xr—Ex-rights, xw — Ex-warrants. Net change is from previous board-lot (or closing sale.)

Stock	Sales	High	Low	Close	Ch'ge
Abitibi	2005	21⅞	20¾	21¾	
Algoma	100	85⅞	57½	57½	
Aluminium	2114	82⅞	27¼	27¼	
Alum 4½ pr	1000	84½	41¾	41¾	+⅛
Alcon 2 pr	200	64⅝	66⅝	66⅝	
Arg T 7 pr	25	83½	83½	83½	+¼
Arg 260 pr	75	82½	82¼	83¼	−¼
Asbestos	1607	82⅝	26½	29¾	−¼
Atl Sug xd	100	17¼	17¼	17¼	−¼
Bank Mont	790	86¾	64¾	65	−¼
Bank NS	585	87⅝	70¼	70¼	−¼
Banq PC	75	8¾	8¾	8¾	+⅝
Bathurst pr	1300	37	3	35	
Bell Phone	1642	55¾	53¾	53¾	−¼
Bow Spr	300	83½	51¼	51½	−¼
Brazil	500	240	240	240	
B A Oil	630	27¼	27¼	27¼	+⅛
B C Forest	750	23¾	23½	23¾	−⅛
BC Pow	8020	84⅝	24½	24¾	−⅛
B C Phone	240	53⅞	57	57⅝	+⅝
Brockil pr	200	57	7	7	
Bruck A	100	82½	23½	23½	−⅛
Bruck B	3275	23½	81½	9¼	⅝
Cal Pow	1400	52½	20¾	20¾	+⅛
Can Cem	503	37⅞	37	37¼	
Can Dom	50	52	28	28	
CT Pntry	200	82	23	23	
CSL	110	57	57	57	−¼
CSL pr	100	81½	12¾	12¾	
CAE	1100	10¾	10¾	10¾	−⅛
Cdn Brew	2525	59⅞	9¾	9¾	
C Fndtn	300	34⅝	34⅝	34⅝	
C Fndtn A pr	113	15⅝	15⅝	15⅝	−⅝
C Imp Bk C	1575	86¾	63¾	63¾	−⅝
CIL	600	13⅞	13	13	
C Refract	200	17¾	17¼	17¼	−⅛
CI Pow pr	385	84⅞	47¾	47¾	+1
CPR	1980	36⅝	36⅝	36⅝	−⅛
Can Pet pr	100	81¾	12¾	12¾	−¼

PRODUCE

MONTREAL (CP) — Agriculture department quotations:

Eggs: Wholesale dealer prices to country stations, wooden cartons: Extra-large 45-46; large 42-43; medium 35; small 30; B 33 and C 30.

Butter: Current receipts nondeferable 51; 93 score tendered 51¾; 92 score tendered 51.

Cheese: Delivered Montreal, waxed, current receipts: Whole sale Quebec white 35¼; colored 35½.

Skim milk powder: Spray process No. 1 in bags 13-16; roller process No. 1 in bags 12 - 13; feed 11-12; butter milk powder feed 9.

Potatoes: Wholesale selling price: Que new 75s 1.25 - 1.30; Que new 50s .90; N.B. new 75s 1.50-1.60; N.B. new 50s 1.-1.10; N.B. new 10s .25-.27; P.E.I. new white 75s 1.60-1.75; P.E.I. new white 50s 1.15-1.20; P.E.I. new white 10s .30-.31.

TORONTO

TORONTO (CP)—A big play for a few speculative issues provided the major impetus at the stock market Tuesday as the more established segments of the market slipped slightly.

Most active of the speculative wives was Candore, up five cents to 20 cents on 483,344 shares. It was followed by Belleterre, Monday's most active listing, up eight cents to 50 cents on 415,800 shares.

Consolidated Mogul was ahead 15 cents to $2.92 and Winchester Larder jumped 4½ cents to 9½ cents in other heavy trading. Salem added 13½ cents to 41 cents.

The industrial board was mixed, with no marked trends.

The Guardian, Charlottetown, Wed. Dec. 11, 1963. 13

Mont Loco	200	13	13	13	
Mont Trust	75	80¾	80	80	−¼
Moore Corp	2215	64¾	48¾	49	−¼
Norandа	1010	83¾	38	38¼	+¼
Ogilvie	50	81¾	54¾	54¾	
Ont Steel	801	82	20½	21	−⅛
Pac Pete	1415	11⅞	11⅞	11⅞	+⅛
Penmans	150	82⅝	72	72	−¼
Penmans pr	80	119	119	119	+4
Pow Corp	495	33¾	32¾	33¾	
Price Br	1200	33⅞	37⅞	37⅞	
Quebec Sec	170	86¾	8¾	8¾	+⅛
Que Phone	215	84¾	42	42¾	−⅛
Red A E	5500	88¾	88¾	88¾	−¼
R C Sugars	100	84¾	17¾	17¾	−¼
Rockwell	705	84¾	42¼	42¼	+¼
Rothmans	500	89¾	9¾	9¾	+⅜
Royal Bank	1183	87¾	72¾	72¾	−⅛
Saada P	150	81¾	11	11	
Shaw Jnd	200	58	8	8	
Shell Can	500	81¾	16¾	16¾	−¼
Shellmx pr	320	82¾	25¼	25¼	−¼
Shop Save	1005	81¾	14¼	14¼	+¼
Simpsons	400	83¾	36½	36½	−½
Southam	900	89¾	29¼	29¼	
Steel Can	2070	82¾	25¼	25¼	−⅛
Steinhg A	175	84¾	4	4	
Texaco Can	75	82¾	54¾	54¾	+¼
Tor-Dom	300	83	63	63	−¼
T Pipe A	1300	81¾	11	11	
Tr C Corp	1645	89¾	9¾	9¾	
TrCan PL	1058	81¾	31¼	31¼	
Tr Mt P L	1100	81¾	14¼	14¼	+¼
Union Oil	1200	81¾	12¾	12¾	
Walk GW	95	85¾	50	50	−1
Wbb Knp	700	85	55	55	
WCoast Tr	200	81¾	13¾	13¾	
Weston A	600	81¾	13¾	13¾	−¼
Zellers	60	81¾	38¼	38¼	+¼
CANADIAN					
Ajax	1000	10	11	11	
Alpha A	100	340	340	340	−10
Alscope	2029	35	30	30	−5
American	52000	11	9½	10	−½
At Am Mol	100	160	155	160	+1
Anthinian	21000	8	8	8	+3
Arno	2100	4½	4	4	−1
Atlas Tel	12075	250	240	245	−3
Augustus	3372	26	26	26	+1
Baker	5000	85¾	85¾	85¾	
Blue Box	900	315	310	310	
Bornite	1500	10	10	10	
Bruneau	6000	7	5¾	5¾	−2
Burnt Hill	4000	26	26	26	
Camp Chib	300	297	297	97	+12
C Interuban	100	345	345	345	
CdnSec Und	700	110	105	110	+5
Carbec	3000	7	7	7	
Cen Man	10400	3	2½	3	
Cenalind	600	125	125	125	
Chemalloy	3080	41	40	40	−2
Cleveland	19000	4½	3½	3¾	−1
Com C Gas	2970	60	51	51	−4
Comodor	150	445	445	445	−3
Con Cas Gold	54500	8	7	7	
C Mogador	3000	25	25	25	
CQ Yell	4000	4	4	4	+1½
C Canoram	500	54	54	54	
Couvrete A	1000	12¼	12¼	12¼	+¼
Delta Elec	250	230	230	230	
D Explorer	4500	27	25	27	+1
East Vnt	3900	150	140	140	−12
Equity Exp	8600	9	9	9	
Fab	9000	16½	16	16½	+1½
Fano	500	3	2	3	
Fox Lake	3500	12	11	11	−1
Frigistore	100	55	55	55	−10
Gas Lake	100	113	113	113	−8
Gold Age	1000	12	12	12	
Gtstest	200	150	150	150	
Inspiratn	1300	205	200	200	
Int At D E	700	100	99	10	
Int Hlmn	440	187	185	185	−2
Inter Dred	9000	9	9	9	
Jubil	710	330	330	330	
Kiena	410	415	415	415	+15
Kily De	2500	58	55	55	+1
Kodi Pete	833	96	96	96	+1
Lambti A	100	918	18	18	−⅛
McAdam	16500	4	41	4	−4
Merill	500	60	60	60	
Mer Chib	875	8¼	8¼	0¼	
Mid Chib	300	28	28	28	
Midepsa	1850	14¾	14¾	14¾	−3
Mistango	4500	16	16	16	−1
Menpor	1500	8	8	8	+1
Mt Chasm	57600	120	114	112	−8
MR Rice	200	13	12	12	+½
Nat Ant Vd	500	130	130	130	−5
Native M	8000	7	7	7	−7
N Formo	1000	3	3	3	−½
Newrich	2500	32	31	32	
NW Amult	7000	6	6½	6½	−1½
Norac Fin	400	13¾	12¾	12¾	
NA Rar	600	23½	23½	23½	−½
North Ex	7800	193	186	191	−1
NW Canada	5000	16	16	16	+5
Opem Expl	1000	12½	12½	12½	
Pallsiver	1300	41	41	41	
Pacific Ext	125	440	440	440	−10
Pitt Gold	1000	3½	3½	3½	
Quebeco	3000	3½	3½	3½	
Surprac	300	450	450	450	−50
Tache	500	10	10	10	
Talisman	600	83	79	83	+3
Tazin	1500	6½	6½	6½	
Tech Expl	900	4½	4½	4½	−½
Trnter	261500	179	135	177	+10
Un Obalski	6700	43	43	43	+3
Vanguard	5000	5	5	5	
Virginia	500	3	3	3	
Westate	2000	85	85	85	−2
Wstvill	2000	3	3	3	
York Spec	300	8¾	6	6¼	

Total sales: Industrials 146,400, mines and oils 772,000

Dominion Foundry and Steel lost 1½ points to 64¼ while Algoma Steel added ½.

Falconbridge rose ½ among senior base metals, but Hudson Bay Mining was off ¾ and United Keno was off 15 cents to $5.70.

Among speculative oils, Wilshire fell 60 cents to $2.85.

On index, industrials were off .22 to 133.90; golds rose .58 to 123.49; base metals fell .27 to 57.15; and western oils declined .08 to 80.70. The exchange index was off .21 to 125.17. Volume was 4,075,000 shares, compared with 3,396,000 Monday.

TORONTO CLOSING STOCKS
By The Canadian Press
Toronto Stock Exchange—Dec. 10
Complete tabulation of Tuesday transactions. Quotations in cents unless marked $. z—Odd lot, xd—Ex-dividend, xr—Ex-rights, xw — Ex-warrants. Net change is from previous board-lot (or closing sale.)

Stock	Sales	High	Low	Close	Ch'ge
Advocat	1075	65¾	65¾	65¾	−20
Agnico	3991	48	47	48	+1
All Pitch	1600	21	21	21	
Am Larder	4000	17¼	15	17¼	+2½
Amal Bar	2025	3	3	3	
Anacon	21000	28	25	25	−½
Anoki	7500	8	8	8	
Area	6000	101	100	100	−2
Arjon	1500	12½	12	12	−½
A Arcadia	1000	35	34	34	−1
Atl C Cop	500	80	80	80	
Atlas Tel	1000	7	7	7	−½
Atlin-Ruf	7000	7	7	7	
Aumaq	3000	5	5	5	
Bagamac	19900	25½	20	20	−3
Bankfield	16000	15	15	15	
Baska	500	10	10	10	
Bata	600	34	31	31	−3
Bellerre	415800	50	42	50	+8
Bidlake	1500	75	75	75	−5
Beycon	9500	15½	15	15½	+½
Bibis	37700	30	27	0	+2
Bidrop	3000	8	8	8	−½
Blzck. Bay	2000	11	11	11	
Bralorne	2610	370	350	360	+10
Brunswk	1070	395	385	395	
Buff Ask	100	217	217	217	−3
Calf	2000	9¼	8½	9¼	
Cadamet	5200	9	8½	8½	−½
Camflo	8700	80	80	82	−1
Camp Chb	2656	299	295	296	+1
Camp Rl.	118	8¼¼	14¼	14¼	
C Asteria	3500	6½	6	6	
C Aunor	16600	11	10	10	−1
C Dyno	4100	92	91	91	
Cdn NW	7566	4½	4	4	−½
Candego	415054	22½	16	20	+5
Can-Erin	3100	6½	6	6	−½
Cariboo	1000	65	18	65	+2
Cassiar	1633	8¼¼	10¾	10¾	−½
Cayzor	1300	19	19	19	+2
Cat Pat	1200	101	100	100	
Cent Pore	2500	6	6	6	
Chibougam	14000	4	3½	4	+½
Chester	1000	14½	14½	14½	+½
Chimo	4200	68	67	67	
Chrom	420	105	100	100	
Coch Will	1450	350	345	350	−8
Cons Mar	1627	21	21	21	
Coniagas	10500	50	49	50	+1
Con-eyK	2000	9¼	9¼	9¼	+½
Cons Shan	7100	21½	21	21	−½
C Bellek	1600	7	7	7	
C Callinan	500	6	6	6	
ConC Cad	12748	6	5	5	−2½
C Discov	42200	101	91	100	−10
C Pen	1000	18	18	18	
Con Gillis	1000	3¼	3¼	3¼	+½
CG Arrow	3500	31½	27	27	−3
C Marble	1000	21	21	21	
C Marcus	1000	124	120	124	+8
C Mogul	205220	298	274	9	−15
CMontana	1900	9	8	8	
C Moshr	3000	145	141	141	
Con Nepm	1000	12½	12½	12½	+½
Con Nichol	32200	7	6½	6½	
C Northld	3400	20½	20	20½	
C Rd Rnr	2000	12	11½	12	+½
C Sanorm	54240	9	8	8	+½
Consolidated	1000	400	390	390	−15
Cop Corp	5100	16	15	16	
Cop-Man	16500	10½	10	10	
Cralne	2000	24	24	24	
Courvan	1075	19	19	19	+2
Cowich	9000	35	30	30	+6
Crainor	122700	38	35	38	+3
Crowpat	11000	9	7¼	7	
Crace	17000	12½	11	11	−1
Daering	1250	10½	10½	10½	−½
D'Arcy	8000	17	16	16	−1
DeCour	5637	7	6	6	
Dr Horn	2000	56	54	56	+1
Dominion	1600	2	1	1	−1
Dibi Pac	3500	21	20	20½	−½
Dn Lake	14367	73	71	71	
Dnison	2620	1000	975	975	−5
Dickson	1415	515	500	500	−15
Dondola	2000	9½	9	9	+½
E Amphi	1000	3½	3½	3½	
East Mal	200	180	180	180	
East Sull	1725	250	245	250	
Eldr	3237	70	70	70	
El Sol	34900	2¼	3¼	3¼	
Eurka	3615	19	18½	18½	−½
Faraday	4668	100	90	90	−3
F'wst T	3500	15	13½	15	+1
Fatima	3500	12	12	12	−3
Geo Mtns	255	33	31	30	
Giant Yel	160	8¼¼	10¼	10¼	+½
Glen Urn	17112	5½	5	5	
Granby	425	8¼¼	17¼	17¼	
Grandroy	1625	14	13	13	−2
Grandac	4740	400	395	365	−5
Gulf Lad	2200	6	6	6	
Gunnar	335	795	795	795	−5
Har Min	16603	11½	9	10	+1
Headway	1000	16	16	16	−2
Hath	3000	4½	4½	4½	
Hard Bell	500	30	30	30	−5
Hollinger	1185	327	26¾	26¾	−¼
Hud Bay	265	57¾	57¼	57¼	−¾
Hud Pam	500	9¼	9¼	9¼	−¼
Hydra Ex	32250	32	29	31½	+2
Irish Cop	1500	25	24	24	
Iso	14900	192	165	186	−4
J Wait	10600	15	11½	12½	−2½
Jacobus	1000	19	19	19	+½
Jay Expl	4200	9	9	9	
Jelex	12500	38½	25	25	−½
Jowbar	5000	8	7½	7½	−½
Jonsmith	7500	12	11½	11½	−1
Joutl	3500	85	80	80	−5
Jowsey	2503	27½	26½	26½	−½
Kly-P	1000	14	14	14	
Kenville	5000	6½	6	6½	+½
Krr Add	1681	810	605	605	+5
Kirk Min	2000	14	14	14	−1
Kirk Town	1500	17	16½	17	−1
Kopas	4000	13¼	13	13	
Lab Min	600	83½	33½	33½	
L. Duparit	2500	700	680	685	−8
Lak Ling	2360	7	7	7	
LShore	1565	210	210	210	
Langis	1000	25¼	25	25	
Latin Am	7000	18	17	17	
Litch	1060	195	190	190	+5
Liberian	250	8¼¼	6¼	15¼	
LL Lac	1000	150	150	150	+9
Lorado	16400	173	170	171	
Lyndhst	6000	8	8	8	
Lynx Yk	1047	265	260	260	−1
Madsen	400	221	215	215	−8
Magni	3500	3¼	3¼	3¼	
Maintrie	4000	66	65	65	
Manast U	10000	4½	4	4	−½
Man Bar	1400	17½	16	17½	+1
Maralgo	1550	8	0	8	−½
Marboy	1500	8	8	8	−½
Marcus	3200	83	80	80	−1
Marcon	14600	9	8½	8¼	
Martim	1000	46	45	45	
Martin	4250	56	53	56	+1
Mattagmi	1433	81	10¼	10¼	−1¼
Maybrun	633	9½	9½	9½	−½
McIntyr	363	84¾	66	67½	+1
McMar	7500	14	14	14	
McWat	14200	20	20	20	−½
Mentor	2500	19	19	19	
Meta	2200	83	83	83	+8

(Continued on page 15)

QUEENS COUNTY FEDERATION OF AGRICULTURE
ANNUAL MEETING
Hunter River High School
Wednesday, Dec. 11, 1963—8:00 p.m.
If agriculture is important to YOU your attendance is invited.

WRIGHT'S
Preview Winter '64!
BOOTiful
... Any of the New Winter Boots
Anyway You Look at it
It's FASHION!
See our vast selection
ESKILOOS
BILLY BOOT
A daytime or dressy 'after five' cockt ail boot in waterproofed brushed nylon. Illusion heet . . . Fleece lining and smart buckle styling on side . . . In colors of black or brown.
14.95
SPICY
Mid-thigh height waterproofed Royalon Sno' Boots with warm fleece lining and medium stacked heels. Colors otter or antique brown.
14.95
GENUINE Waterproof COCKTAIL BOOTS
beaver trim
Waterproof Royalon
11.98
Brushed Nylon 12.95
NEW YORKER
Dressy and new in completely waterproofed "Royalon" illusion heet and laced tassels.
Black or Brown
11.98
DIAL 4-9521
WRIGHT SHOE CO.
QUEEN STREET

THE PROVINCIAL BANK OF CANADA
1963 was another year of economic growth but some basic problems are still facing us
Summary of address by the President of The Provincial Bank of Canada, Mr. J.-U. Boyer, at the 63rd Annual General Meeting of Shareholders held in Montreal, December 10th, 1963.

The economy will have been relatively prosperous, on the whole, during the current year. In some ways, this gives reason for surprise. For the past three years, in fact, the economy has progressed at a rapid rate. This expansionist period is a longer one than has been the case in the previous business cycle, and much longer than was foreseen in certain quarters. It will be recalled, indeed, that during the past Spring, it was very generally thought the recession was due to start before the year's end... We may well ask ourselves whether the pessimism that has been so widespread in Canada since 1957 has not now begun to give way to an optimism of a lasting nature. ... We should point out frankly that the U.S. economy has been much more vigorous than had been expected ...This strength in the U.S. economy has, naturally, a direct bearing on Canadian exports which, for the first nine months of the current year, have been 9% higher than for the corresponding period in 1962.

Foreign Trade

This striking expansion in the volume of foreign sales, however, has not merely reflected the level of activities in the U.S. It is worth observing that the effects of the devaluation of the Canadian dollar have not yet been exhausted, especially with respect to manufactured goods. It would appear, that as a result of devaluation, markets have been found for a host of products which previously were not selling regularly. Indeed, during the past two years, sales of finished manufactured goods have gone up by fifty per cent... Devaluation has likewise decreased, up to a point, foreign competition with local products in the domestic market. Nowhere has this effect been more noticeable than in the case of the automotive industry ... Therefore, we may say that foreign trade has played an important role in maintaining the strength and growth of the Canadian economy generally.

Capital Investments

Capital investments, too, have played an important part in this growth, although a less spectacular one. Residential construction has been on the upsurge. The $500 billion of dwelling that the Government has made available is probably helping currently to maintain the increase in construction which began three years ago. Another factor in the increased activity this past Autumn has undoubtedly been the prospective rise in sales taxes on building materials. While business investments are on the increase, they are going at a slower pace than one might have supposed for a period which is nearing the peak of the business cycle... For the past several years, it has been observed that the rate of private investment is inadequate, and that this factor is one of the prime causes of the weakness of the Canadian economy ... It is, nevertheless, a fact that the improvement noticed in 1963, added to the expansionist influences of foreign trade and government spending, has kept the economy rising.

Under these circumstances, the rate of unemployment has dropped somewhat below the 1962 level. Full employment is still far from being achieved; but we are in a better position now than at any time since 1957.

Problems of Economic Structure

The President of The Provincial Bank of Canada then commented briefly on monetary policy and economic prospects for the year 1964. After having devoted this part of his address to a review of economic trends, he went on as follows: Within this generally favourable picture, the state of the economy in 1963 has not even diminished signs of acute problems arising from the structure of the Canadian economy ... Three of them are worthy of a more detailed study. They are: equilibrium of the balance of payments; foreign control of Canadian enterprises; and uneven economic growth among various regions.

Balance of Payments Problems

The equilibrium of the balance of payments is not likely, for some time, to cause major difficulties: the increase of exports has already permitted a surplus in the balance of trade and consequently has made it possible to reduce the deficit of the current accounts balance. The enormous wheat contracts with the Soviet Union and its satellites will now make it possible to reduce still further ... by several hundred millions of dollars — the current accounts deficit. In the same way, the export programme for the automotive industry announced by the Federal Government may, if successful, play an important role ... Obviously, the fundamental disequilibrium in our balance of payments will not be so easily corrected. But it may well be temporarily hidden. And if the authorities manage successfully the improvements of their trade policies so as to increase permanently the level of exports, the situation could improve considerably ...

Foreign Control of Canadian Industry

The question of outside control of business remains as delicate now as it was a year ago ... For various reasons, it is considered in some quarters that capital inflows, from the U.S.A. in particular, must be governed by rules or controls which will reduce the dependence of the Canadian economy on foreign sources of investment. Over the past three years two different Canadian governments have striven, by various means, to achieve this end. This policy has given rise, as is well known, to numerous but perhaps not always justified criticisms ...

At a moment when the American Government is trying, in order to maintain its own balance of payments, to intervene in international capital transfers, it becomes urgent that Canada establish, of set causes in the contrary, some effects on the management of industry.

Insofar as the Government and the Canadian economy is able to take corrective measures, it is important that they know against what such countermeasures are being taken. For instance, the 15% withholding tax applicable uniformly on all interest payments to non-residents has inhibited the raising of funds in the U.S. market, while the improvement of the balance of payments should have required easier access to this market ... It is important, in this connection, that measures were finally taken, some weeks ago, to rid us of some of the most serious drawbacks to the system, particularly those related to the purchase of Canadian bonds by U.S. pension funds.

On the other hand, the recent provisions for giving some tax advantages to corporations with at least 25% of their stock held by Canadian residents come closer to the real problem. But it is unfortunate that many of these same fiscal advantages are also used as incentives for attracting industry to underdeveloped areas. We end up by combining, in one policy, two valid aims which are entirely different: the sources of capital, and the geographical distribution of investments. While the recovery of certain areas may urgently demand that the greatest possible amount of capital be attracted to them whatever the source,