

WEEKLY BULLETIN

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Economic Conditions in November

A majority of the major factors indicating the trend of economic conditions recorded advance in November over the preceding month. A gain was shown in the index of common stock prices and speculative trading on the exchanges was at a considerably higher level. A minor gain was shown in wholesale prices and in the cost of living. High-grade bond prices were steady in November and deposit liabilities of the banks were at a new high point at the beginning of the month.

The index of the physical volume of business was not greatly altered in November, a slight decline having been shown according to preliminary calculations. The index of inspected slaughterings rose from 134 to 149, marked increases having been shown in each of the main classes of livestock after seasonal adjustment. The production of factory cheese and creamery butter showed recession less than normal for the month.

The boot and shoe production was 2,417,000 pairs against 2,259,000 in the preceding month. A minor recession was shown in the amount of raw cotton used by textile plants. The forestry industry showed reduction in operations, the index of newsprint production receding from 101.5 to 95.6. The gain in the new business obtained by the construction industry was contra-seasonal. The index of carloadings rose about 2 points to 126.5.

Business Indicators for November Compared with October last and same month of 1941

		November 1942	November 1941	October 1942
Physical Volume of Business	1935-39=100	(x)	183.7	207.2
Cost of Living	1935-39=100	118.6	116.3	117.8
Factory Cheese Production	pounds	9,476,989	7,643,870	20,249,757
Creamery Butter Production	pounds	16,899,823	14,968,566	25,098,306
Newsprint Production	tons	251,147	300,308	271,555
Contracts awarded	\$	22,085,500	22,889,500	21,412,800
Carloadings	no.	290,634	285,824	323,059
Raw Cotton Consumption	lb.	16,064,484	16,647,670	16,542,759
Slaughterings -				
Cattle and Calves	no.	161,207	157,136	157,526
Sheep and Lambs	no.	135,221	111,721	171,780
Hogs	no.	640,174	714,531	532,504
Building Permits	\$	7,624,195	11,729,291	8,432,251
Bank Debits	\$000	4,966,558	3,426,906	4,073,391

(x) The index of the physical volume of business according to preliminary calculations showed a slight decrease over the preceding month.

Financing of Motor Vehicle Sales in November

There were 3,514 new and used motor vehicles financed in Canada during November for an amount of \$1,143,282, a reduction of 51 per cent in number and 61 per cent in dollar volume below the 7,126 units financed to the extent of \$2,915,545 in November, 1941. During the eleven months ending November, 63,156 vehicles were financed for \$23,569,866, down 64 per cent in number and 71 per cent in financed value from totals for the corresponding period of 1941.

New vehicle financing declined 94 per cent in both number and dollar volume in November. Only 89 units were financed for a total of \$64,111 as compared with 1,367 transactions involving \$1,116,170 in November last year. Sales of 3,425 used vehicles were financed to the extent of \$1,079,171 in November, down 41 per cent in number and 40 per cent in amount of financing below the 5,759 vehicles financed for \$1,799,375 in the same month last year.

October Employment Situation

The trend of employment and payrolls continued upward at the beginning of October, there being an increase of 1.1 per cent in the former and 1.8 per cent in the latter as compared with September 1. The Dominion Bureau of Statistics tabulated information from 13,200 establishments which employed 1,815,672 persons at October 1 and disbursed the sum of \$53,549,615 in payment for services rendered in the week preceding; their employees at the beginning of September had numbered 1,795,480, who had been paid \$52,591,352 in weekly salaries and wages. Of the 1,815,672 persons in recorded employment at October 1, 1,403,353 or 77.3 per cent were males and 412,319 or 22.7 per cent were females.

Practically 71 per cent of the total of 412,319 women workers reported at October 1 were employed in manufacturing; this percentage falls to 66.4 if the figures for financial institutions are included in the all-industries total. The females in trade, numbering 71,433, constituted the second largest group, with those in finance totalling 28,837, services 21,275, and communications 13,491 coming next in order. The remaining 13,379 women on the staffs of the co-operating firms were distributed among the logging, mining, transportation and construction divisions.

The largest percentage gain in employment was slightly above the average for October 1 in the experience of past years, although, as in preceding months, it was not equal to that indicated at the same date of 1939, 1940 or 1941. Also as in recently preceding months, the industrial distribution of the persons added to the working forces was abnormal, with greater-than-average advances in manufacturing, and smaller-than-usual increases in the non-manufacturing classes.

Within the manufacturing division, there was further marked expansion in activity in iron and steel and vegetable food plants; these reported over 10,200 and 7,200 additional workers, respectively. There were smaller gains in the tobacco, chemical, electrical apparatus and non-ferrous metal industries. In textiles, little general change was shown, while the trend in the remaining groups was downward.

Among the non-manufacturing classes, logging, transportation, construction and retail trade afforded more employment. The gains in construction were contra-seasonal; those in the other divisions were seasonal, but except in transportation, they were not equal to the usual advances at October 1. The increase in logging especially were greatly below normal. The remaining non-manufacturing groups, mining, communications and services reported curtailment; that in mining was contrary to the customary movement at October 1, but the losses in communications and services were in accordance with the usual trend in the autumn.

The crude index number of employment, based on the 1926 average as 100, rose from its former maximum of 179.3 at the beginning of September to 181.3 at October 1 as compared with 165.8 at October 1, 1941. In the latter comparison, there was an increase of 9.3 per cent, which was accompanied by that of 21.7 per cent in the reported weekly payrolls in the 12 months. When adjusted for seasonal influences, the October 1 index of employment was 172.5, slightly above the corrected figure of 172.3 at the beginning of September.

Visible Supply of Wheat

Stocks of Canadian wheat in store or in transit in North America at midnight on December 17 totalled 463,153,666 bushels compared with 460,183,130 a week earlier and 507,541,092 on the corresponding date last year. Stocks on the latest date included 441,208,612 bushels in Canadian positions and 21,945,054 in United States positions.

Farmers' Marketings of Wheat and Coarse Grains

Deliveries of wheat from farms in western Canada during the week ending December 17 totalled 6,345,089 bushels as compared with 6,115,196 in the previous week. Marketings of coarse grains included the following, figures for the previous week being in brackets: oats, 1,438,005 (1,864,173) bushels; barley, 930,486 (1,097,994); rye, 267,459 (90,543); flaxseed, 69,518 (42,372).

World Wheat Situation

A top-heavy wheat supply situation in the principal surplus producing countries is to be attacked in 1943 through definite and, in the case of Canada, quite drastic acreage reduction programs. Canadian farmers have been asked to reduce wheat acreage next year to its lowest level since 1918 and if this goal is reached it will mean a reduction of more than 11 million acres or 39 per cent from the peak level of 28.7 million acres attained in 1940. The feasible reduction in the United States is much smaller because of existing legislation which places a minimum on wheat acreage, while in Argentina and Australia the indicated new harvest plus carry-over of old wheat appear certain to bring forth new acreage restriction measures before the next crop is planted in the spring.

All efforts to curtail wheat crops through the medium of reduced acreage were frustrated in 1942 by the unpredictable weatherman. A brand of weather was served up in Canada and the United States which resulted in record yields per acre and the production of enormous crops. Less spectacular results were obtained in Argentina and Australia, but reduced acreage in both countries failed to bring about the desired results and in the case of Argentina the new crop appears to be 18 million bushels larger than the crop harvested last year. Expressed in round figures, these four countries had a wheat acreage in 1942 some 12 million acres less than in 1941 but from this they produced a combined wheat crop approximately 335 million bushels greater than that of the previous year.

The generous 1942 harvest came on top of a heavy accumulation of old wheat and sheer weight of supplies, coupled with urgency for the production of other war crops in Canada and the United States, underlines the 1943 production goals recently announced to North American farmers. In this program it is suggested to farmers in Canada that they turn over 4,000,000 acres of wheat land to the production of more essential crops, leaving the total cultivated area about the same as in 1942, while in the United States the producers are asked to cut about 1,000,000 acres from the area planted to wheat for the 1942 harvest.

While experience this year has shown that acreage reduction is no guarantee of smaller crops, it is the grower's only approach to such an objective. The final outcome remains one largely of weather conditions but the law of averages and past experience suggest that the high yield per acre obtained in 1942 is not likely to be repeated in 1943. On this assumption, the statistical position of wheat in North America will show improvement in 1943-44 if acreage reduction programs are carried out next spring.

Trade reports from Argentina and Australia carry suggestions of acreage reduction in both countries next year but the official programs are not yet available. It is reported from Buenos Aires that the purchase of new Argentine wheat at the Government's fixed price is contingent upon growers reducing their wheat acreage by 10 per cent in 1943 if asked to do so, while trade advices from Australia indicate that restrictive measures in effect the past year will be continued into 1943 and further withdrawal of poor land from wheat production will take place.

Importing countries, on the other hand, especially the United Kingdom, are striving to increase wheat acreage as part of a plan to secure greater self-sufficiency in food-stuffs and thereby conserve shipping space for the transport of more vital war materials which must be obtained from abroad. Farmers in the British Isles have already greatly expanded their wheat acreage from the pre-war level of about 1.7 million acres to 2.5 million in 1942 but have been given their cue to exceed 3.0 million acres for the 1943 harvest. Such an increase seems puny by comparison with wheat acreage in surplus-producing countries, but when considered in the light of average yield per acre it is very significant. The average yield in the United Kingdom is, for instance, more than double the long-time average yield in Canada.

This expansion of acreage in the United Kingdom and the general shipping situation which has become more heavily taxed as the result of North African operations would seem to spell contraction of available markets for surplus wheat in North America. It appears also to lay emphasis on the necessity for holding the production of wheat in check on this side of the Atlantic until such times as free export movement is again possible. Existing stocks of wheat are large enough to safeguard the needs of both the surplus and deficiency countries that can be served, even in the event of sub-normal production on a reduced acreage in 1943.

Uniform Municipal Statistics in Canada

The Dominion Bureau of Statistics has issued a Manual of Instructions for the preparation of municipal financial statements. Accompanying it is a Municipal Accounting Terminology.

The Municipal Accounting Terminology and the statements and schedules contained in the Manual were adopted at a conference held in December 1940, following extensive research and study by municipal authorities throughout Canada.

Preparation of the Manual of Instructions explaining the forms was undertaken by the Finance Statistics Branch of the Bureau at the request of the Conference, so that a common understanding would be established of the terms and expressions used, and of the classification and distribution of revenues, expenditures, assets and liabilities.

To establish uniformity was one of the main objects of the conferences - uniformity in reporting financial and other data of municipalities, not only in reports submitted to Provincial Departments of Municipal Affairs, but also in reports issued locally by municipalities in each of the Provinces of the Dominion. This would form the basis for establishing uniform accounting procedure and also provide a uniform basis for the compilation of municipal financial statistics. It will be found applicable to all municipalities, whether large or small, urban or rural.

In making possible the preparation and publication of these texts, which should prove of inestimable value to municipalities and their officials in matters relating to administration and accounting procedure, the Dominion Bureau of Statistics has given due consideration to the importance of municipalities and their activities in relation to other governments and the great national importance of the financial statistics of municipal governments in Canada. Increasing demands are continually being made by both public and private authorities for more and more information concerning the activities of junior governments and their related enterprises. These demands are by no means limited provincially but are Dominion-wide.

The ultimate objective is to adopt uniform methods of reporting municipal activities in all provinces and more or less standardize the publication of provincial municipal statistics, which in turn may be related to those of the several provincial and Dominion governments.

Production of Crude Petroleum in October

The Canadian production of crude petroleum and natural gasoline in October totalled 859,895 barrels as compared with 826,866 in the previous month and 871,491 in the corresponding month last year. The total for the ten months ended October was 8,665,941 barrels compared with 8,370,968 in the corresponding period of 1941.

Alberta's output in October was recorded at 843,991 barrels and consisted of 823,916 barrels from the Turner Valley field, 859 from the Red Coulee field, 1,347 from the Wainwright-Ribstone field and 15,241 from other fields. Also, 2,628 barrels of crude oil were reported from McMurray.

Production of Natural Gas in October

Natural gas production during October amounted to 3,423,690,000 cubic feet as compared with 2,882,467,000 in the previous month and 3,009,606,000 in the corresponding month last year. The aggregate output for the ten months ended October was 34,273,727,000 cubic feet as compared with 30,738,007,000 in the like period of 1941.

Gold Production in October

The Canadian production of gold in November was recorded at 381,843 fine ounces as compared with 377,473 in the previous month and 461,168 in the corresponding month last year. The total for the ten months ended October was 4,077,675 ounces as compared with 4,466,373 in the like period of 1941.

October production was as follows by areas, figures for the same months last year being in brackets: Ontario, 213,213 (269,706) fine ounces; Quebec, 91,643 (92,661); British Columbia, 28,361 (49,581); Manitoba and Saskatchewan, 25,409 (27,120); Yukon, 15,905 (11,183); Northwest Territories, 6,548 (8,770); Nova Scotia, 748 (2,072).

Canada's 1942 Honey Crop

The second estimate of Canada's 1942 honey crops shows a total production of 23,205,900 pounds, representing a 16 per cent decrease in production from the 1941 crop of 27,487,700 pounds. Unfavourable weather conditions in the main producing areas curtailed the volume of output with the result that the 1942 crop was one of the smallest in the past decade.

About 95 per cent of the crop has been marketed at prices averaging 1.7 pents per pound higher than paid for the previous year's crop. A preliminary estimate places the value of the 1942 crop at \$3,059,900 which as a result of higher prices is approximately the same as the value of the 1941 crop. Bees generally have gone into winter quarters in good condition although stores are short in some localities. Some expansion in the industry is expected in 1943.

Population of the Province of Quebec

According to final figures released by the Dominion Bureau of Statistics the population of the Province of Quebec at date of the 1941 Dominion Census totalled 3,331,882 as compared with 2,874,256 in 1931. The population of the City of Montreal increased to 903,007 in 1941 from the 1931 total of 818,577; City of Quebec to 150,757 from 130,594, Verdun to 67,349 from 60,745; Three Rivers to 42,007 from 35,450; Hull to 32,947 from 29,433; Outremont to 30,751 from 28,641; Westmount to 26,047 from 24,235; Lachine to 20,051 from 18,630, Shawinigan Falls to 20,325 from 15,345 and Sherbrooke to 35,965 from 28,933.

Reports Issued During the Week

1. Population of Quebec by Rural and Urban Sub-Divisions, 1941 (10 cents).
 2. The 1942 Canadian Honey Crop (10 cents).
 3. Gold Production, October (10 cents).
 4. Financing of Motor Vehicle Sales, November (10 cents).
 5. Building Permits, November (10 cents).
 6. Petroleum and Natural Gas Production, October; and Gasoline Sales, September (10 cents).
 7. Monthly Traffic Report of Railways, September (10 cents).
 8. Monthly Review of the Wheat Situation (10 cents).
 9. Car Loadings on Canadian Railways (10 cents).
 10. October Employment Situation (10 cents).
 11. Railway Revenue Freight Loadings, November (10 cents).
 12. Grain Situation in the Argentine (10 cents).
 13. Canadian Grain Statistics (10 cents).
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