

Business Acceleration in January

Productive operations recorded further expansion in the first month of the year. The index of the physical volume of business measuring fluctuations in mineral production, manufacturing, construction, electric power and distribution rose to a new maximum at 227.3 in January compared with 221.2 in the preceding month. The standing in January of last year was 192.3, a gain of about 18 p.c. The advance was occasioned by the stimulation of war demands.

Each of the main components recorded expansion over the preceding month. The index of mineral production rose from 209.6 to 225.3, despite the recession in gold production. The index of manufacturing production on the base of 1935-39 rose from 276.2 in December to 279.0. While a number of the components of the manufactures index showed recession, the industries engaged on war production recorded a marked acceleration. The industries showing a gain in the latest month for which statistics are available included flour milling, boots and shoes, iron and steel.

The index of electric power output rose from 140.1 to 142.5. The consumption of primary power computed by deducting exports of secondary power from total production was 2,884,224,000 k.w.h. in January compared with 2,756,555,000 in the same month last year. An index of distribution based upon railway traffic, net sales of retail and wholesale outlets and external trade rose from 160.6 in December to 166.3 in the month under review. Owing to the inclement weather, indexes of live stock marketings and inspected slaughterings were at a lower position in January. Grain marketings at country elevators in the Prairie Provinces, on the other hand, rose to a higher level after seasonal adjustment. The index was more than 3 points higher at 149.8.

The new business obtained by the construction industry was at a higher level in January, the index advancing from 101.5 to 129.3. Increases were shown both in contracts awarded and in building permits issued in a large number of municipalities. The cost of construction according to the trend of prices of building materials and wage rates in the industry was steady in the first month of the year.

Economic Activity in January compared with the preceding month
1935-1939=100

	1943 January	1942 December
Physical Volume of Business	227.3	221.2
Industrial Production	256.7	250.8
Mineral Production	225.3	209.6
Gold Production*	94.5	105.3
Coal Production	104.2	112.9
Manufacturing	279.0	276.2
Flour Production*	207.2	117.8
Rolled Oats Production*	89.0	68.5
Inspected slaughterings	119.3	169.1
Cattle	71.5	130.7
Sheep	100.7	111.9
Hogs	157.4	201.8
Creamery Butter	139.8	139.7
Factory Cheese	136.8	283.9
Tobacco	201.1	207.7
Cigar Releases	220.0	209.2
Cigarette Releases	199.5	207.8
Boots and Shoes Production*	200.6	194.4
Textiles	151.3	162.1
Cotton Consumption	139.6	151.0
Forestry	105.6	124.7
Newsprint	97.6	100.5
Iron and Steel	561.9	541.9
Pig Iron Production	173.5	255.4
Construction	129.3	101.5
Contracts Awarded	105.5	97.0
Building Permits	224.5	119.6
Cost of Construction	127.8	127.8

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Economic Activity in January compared with the preceding month
1935-1939=100

	1943 January	1942 December
Electric Power	142.5	140.1
Distribution	166.3	160.6
Tons Carried	155.1	173.4
Marketings -		
Grain and Live Stock Marketings	133.5	141.7
Grain Marketings - Country Elevators	149.8	146.4
Wheat	194.1	210.8
Oats	506.7	267.8
Barley	375.7	278.6
Rye	84.5	498.1
Live Stock Marketings	62.8	121.2
Cattle	61.4	126.3
Calves	51.2	93.1
Hogs	75.0	125.5
Sheep	62.7	101.8
Cold Storage Holdings, 1st of following month	117.9	125.9
Eggs	219.9	176.5
Butter	51.4	60.4
Cheese	206.3	212.4
Beef	87.8	130.0
Pork	152.6	161.7
Mutton	50.8	64.1
Poultry	90.4	99.5
Lard	74.8	112.4
Veal	49.0	68.3

* Preceding month.

World Wheat Situation

Latest war maps indicate that the Red Army has recaptured all territory lost in North Caucasus, an area estimated to be roughly the equal of the States of Iowa and Kansas combined, with a wheat acreage comparable to the wheat area of Kansas or last year's wheat acreage in Saskatchewan. Next to the Ukraine, the North Caucasus region was, before the war, the most important winter wheat section of the Soviet Union and in 1938 accounted for 24 per cent of the total winter wheat acreage in the U.S.S.R.

But the Red Army's advance does not stop at the borders of North Caucasus. It is now swinging through the Ukraine toward the Dnieper River and into territory which also produces a large volume of wheat. Here again winter wheat is the chief type produced with about half the wheat acreage of the Ukraine lying east of the Dnieper. In this region, as in North Caucasus, surplus wheat is produced for export or for shipment to the deficiency areas of the U.S.S.R. These areas have the advantage also of an early harvest and the gathering of small grains in North Caucasus is usually well advanced by the end of July.

Efforts have been made since the war with Germany began to extend the wheat area eastward to make up for the loss of the Ukraine and North Caucasus, but the harsh climate of eastern Russia is not as suitable for the production of high-yielding winter wheat varieties, and spring wheat acreage predominates as the Volga is reached. It should be noted, however, the spring wheat before the war occupied about two-thirds of the wheat acreage in Russia, just about the reverse of the position in the United States where the distribution of spring and winter wheat is approximately two-thirds winter and one-third spring.

This is the picture as it now presents itself in Russia, but looking at the European situation as a whole, the harvest in 1943 means much to the Nazis and to countries under their domination. Supplies at present are very short in most continental countries and even if the weather is kind to the crops this year there is still the question of labour, a question that must be bothering the Nazis a good deal as their manpower problem grows more acute through casualties on the Russian front and contemplation of a strike by the United Nations on a new front this year.

On the North American side of the Atlantic the situation has not changed materially in recent weeks, except perhaps that there is evidence now of a greater domestic utilization of wheat in the United States which promises to reduce the prospective carry-over for July 1, 1943 from 800 to 700 million bushels. The Canadian statistical position at the moment points to a substantial carry-over on July 31, 1943, but if the objectives set for coarse grains and grass crops are carried out this spring, wheat acreage will be reduced by about 3,000,000 acres.

Latest crop estimates from Argentina and Australia where the new harvest has just been completed show a combined wheat crop of 390 million bushels, which is almost exactly what these two countries produced a year earlier. Argentina's latest crop is placed at 235 millions and Australia's at 155 million bushels, while a year ago they harvested 224 and 167 million bushels, respectively. Both countries have an accumulation of old wheat but Australia may get an enlargement of her market if exports to India develop. This will depend a good deal on the new harvest in India, which is shaping up much better now, and on the general shipping situation.

Argentina is disposing of most of her export shipments in two markets, Brazil and Spain. She has done very little business with the United Kingdom during the past several months, and her wheat surplus indicated by statistics compiled to the end of January is approximately 290 million bushels. It is just possible, however, that a very poor corn crop this year will divert demand to wheat for feeding and in this way bring about greater domestic disappearance of wheat. Usually the domestic requirements of Argentina are estimated at just over 100 million bushels.

Stocks of Canadian Wheat

Stocks of Canadian wheat in store on February 25 totalled 449,650,512 bushels, including 438,614,524 bushels in Canadian positions and 11,035,988 in United States positions. On the corresponding date last year the visible supply amounted to 479,633,276 bushels.

Farmers' Marketings of Wheat

Deliveries of wheat from farms in western Canada during the week ending February 25 amounted to 2,116,010 bushels compared with 1,421,710 in the previous week. During the elapsed portion of the crop year 164,775,862 bushels were marketed as compared with 166,199,564 in the corresponding period of the previous crop year.

Production of Flour in January

Canadian flour mills manufactured 1,963,042 barrels of flour in January compared with 1,555,850 in the corresponding month last year. This was the highest January production on record. Total output for the six months ending January amounted to 11,408,011 barrels compared with 9,893,802 for the same period a year ago. The percentage of output to capacity for January amounted to 89.0 compared with 71.3 a year ago.

Grains ground in Canadian mills during January are shown as follows in bushels with comparative figures for the same month last year in brackets: wheat, 8,771,769 (7,020,607); oats, 1,300,070 (1,445,283); corn, 238,946 (218,419); barley, 468,934 (280,864); buckwheat, 3,628 (4,555); and mixed grain, 3,226,128 (2,622,854).

Numbers of Hogs on Farms

Numbers of hogs on farms reached an all-time high record on December 1, 1942, the total being 7,750,600 compared with 6,527,300 on the corresponding date in 1941, an increase of 18.7 per cent. The expansion in the hog industry which has been under way since the outbreak of war was maintained in all provinces except Ontario where a minor decline occurred. In this province, however, as well as in all others, the numbers of sows expected to farrow during the spring of 1943 shows a marked increase over that of a year ago.

Hog numbers on December 1, 1942, were as follows by provinces, corresponding figures for 1941 being in brackets: Prince Edward Island, 66,300 (55,400); Nova Scotia, 63,000 (50,200); New Brunswick, 89,500 (72,900); Quebec, 1,094,500 (850,000); Ontario, 2,019,300 (2,063,700); Manitoba, 696,000 (511,200); Saskatchewan, 1,368,000 (1,005,500); Alberta, 2,269,700 (1,836,700); British Columbia, 84,300 (81,700).

Fur Farms of Canada in 1941

The number of fur farms in operation in Canada in 1941 was 8,440 and the value of property was recorded at \$15,191,900 compared with 9,164 farms and a property value of \$14,345,386 in the preceding year. The total value was apportioned as follows, with figures for 1940 in brackets: land and buildings, \$7,243,554 (\$7,251,029); fur-bearing animals, \$7,948,346 (\$7,094,357).

The number of animals retained on the farms at the end of the year was 256,910, comprising 91,525 silver foxes, 153,447 mink, 6,511 new type foxes (platinum, white-face, silver blue, etc.), and various other kinds with a total of 5,427 animals. The number of silver foxes decreased from the preceding year by two per cent, but the numbers of mink and new type foxes advanced by 16 per cent and 181 per cent, respectively.

The revenue of the farms in 1941 amounted to \$5,582,470, a decrease from 1940 of \$570,604 or nine per cent. The pelt sales had a total value of \$4,799,489, and the sales of live fur-bearing animals a value of \$782,981 compared with \$5,608,380 and \$544,694, respectively, in 1940. To the total revenue, including that derived from the sale of live animals and pelts, silver fox contributed 55 per cent and mink 39 per cent, or a total for the two kinds combined of 94 per cent. Average prices for most of the principal kinds of farm pelts were higher than in 1940.

February Cost of Living Index

The Dominion Bureau of Statistics cost-of-living index on the base 1935-39=100 declined from 117.1 on January 2 to 116.9 on February 1. This index has recorded a wartime increase of 16 per cent. The February index reflected a decrease of 0.6 points in the food group and fractional declines for fuel and lighting and clothing. The food index fell from 127.3 to 126.7, due mainly to lower prices for eggs and oranges. Moderate increases occurred for potatoes and meats. The fuel and light index fell from 112.8 to 112.7, and clothing from 120.2 to 120.1. Other indexes remained unchanged as follows: rent 111.3, homefurnishings and services 117.8, and miscellaneous items 107.5.

Wholesale Prices in February

Continuing strength in food material prices, notably wheat, steers, hogs and oats, and a small increase in rosin advanced the composite weekly industrial materials index on the base 1926=100, 0.2 points to 96.1 between January 29 and February 26. Sub-group changes showed the food series up 0.9 points to 93.2, while the manufacturing series of 13 commodities advanced 0.1 to 82.7. The stable series of 12 items remained unchanged at 114.7. Compared with August 1939, the composite index has now shown an increase of 30.8 points, while compared with the first week of December 1941, the date price ceilings became effective, there has been an advance of 4.7 points. Canadian farm product prices, reflecting a stronger tone for both field and animal product prices, moved up 0.9 points to 88.9 between January 29 and February 26.

World Cost-of-Living Movements

In the second half of 1942 upward trends of world cost-of-living indexes continued to be generally in accord with patterns of the first half. Advances ranged between less than one p.c. and six p.c., Iceland being a notable exception with an increase of 49 p.c. between June and December of 1942.

The cost of living in the United States as registered by the Bureau of Labor index, rose less rapidly in the second half of 1942, with a $3\frac{1}{2}$ p.c. gain over June as compared with 9 p.c. for the year. The Canadian series, on the other hand, recorded an increase of almost 2 p.c. between June and December as against $2\frac{1}{2}$ p.c. for the year. In both cases foods continued mainly responsible for increases.

The Ministry of Labor index for the United Kingdom revealed small divergence from levels maintained for the past eighteen months. A June-December gain of 0.5 p.c. brought the index to a point 0.5 p.c. below the peak which was reached in December, 1941, and again in August, 1942. Decreases in the clothing group during the past six months were offset by increases in all other groups except rents. The 1942 average for foods, however, was lower than the averages of 1941 and 1940.

The Mexican series in December was $5\frac{1}{2}$ p.c. higher than June and 11 p.c. higher than December, 1941. South African and Australian cost-of-living indexes recorded June-November increases of 2 p.c. and 4 p.c. respectively, and about 9 p.c. each during the year.

Department Store Sales in January

The dollar value of department store sales in January declined seven per cent from sales in the corresponding month last year. A portion of the decline can be attributed to the occurrence of one more business day in January a year ago, while shortages in many lines of merchandise in popular demand play an increasingly important part in restricting consumer purchases. Unadjusted indexes of sales on the base 1935-1939=100 stand at 107.2 for January this year compared with 115.2 a year ago.

Country General Store Sales in January

Country general store sales averaged eight per cent higher in January than in the corresponding month last year. All regions of the country reported gains ranging from two per cent for the eastern part of Ontario to 14 per cent for the northern section of Alberta. The January index of sales on the base 1935-1939=100 was 108.9 compared with 100.9 a year ago.

Bank Debits to Individual Accounts in January

The amount of cheques cashed in the thirty-three clearing centres was nearly \$3,900 million in January against \$3,231 million in the same month last year. Gains were recorded in each of the five economic areas, the greatest advance having been recorded in Ontario and Quebec. The gain in British Columbia was also of marked proportions.

Totals were as follows by economic areas, with figures for January 1942 in brackets: Maritime Provinces, \$83,842,334 (\$77,155,092); Quebec, \$1,157,119,944 (\$939,781,839); Ontario, \$1,875,067,158 (\$1,517,460,133); Prairie Provinces, \$545,708,273 (\$499,853,274); British Columbia, \$237,890,649 (\$196,538,506).

January Output of Central Electric Stations

Central electric stations produced 3,217,788,000 kilowatt hours during January as compared with 3,247,672,000 in the previous month and 3,226,289,000 in January, 1942. The decrease from the January 1942 production was all in secondary power which declined from 347,779,000 to 212,816,000 kilowatt hours, whereas primary or firm power increased from 2,878,510,000 to 3,004,972,000 kilowatt hours or by 4.4 per cent. Exports to the United States amounted to 203,579,000 kilowatt hours as against 211,444,000 in December. Consumption of secondary power declined from 263,203,000 kilowatt hours in January 1942 to 129,985,000 or by 50.6 per cent, and consumption of primary power increased from 2,756,550,000 to 2,884,224,000 kilowatt hours or 4.6 per cent.

Factory Sales of Electric Storage Batteries

Sales of electric storage batteries and parts by principal Canadian producers were valued at \$2,113,584 during the fourth quarter of 1942 compared with \$1,664,584 in the previous quarter and \$1,996,008 in the final quarter of 1941. Sales in the latest period included batteries for the ignition of internal combustion engines valued at \$1,328,553, batteries for motor cycle starting at \$5,612, cells for farm lighting plants at \$120,336, cells for railway service at \$38,490 and batteries for other purposes, including those for telephone switchboards at \$338,442.

Sand-Lime Brick Industry

Six plants in Canada were engaged chiefly in making sand-lime building brick in 1941 and produced 12,223 M valued at \$230,030, an increase in both quantity and value over the output of 17,405 M brick at \$196,423 in the previous year. Production value of sand-lime building blocks dropped to \$46,665 to \$47,565.

Unemployment, Earnings and Employment
Among Wage-Earners at the 1941 Census

According to a 10 p.c. sample tabulation there were 98,630 male wage-earners in Canada unemployed on the Census date, June 2, 1941. This number represented approximately 5 p.c. of all male wage-earners. Unemployed female wage-earners numbered 26,130 on the Census date or just under 4 p.c. of all females in wage and salaried employment. These figures may be compared with data from the 1931 Census when unemployment on the first of June was much greater than on the Census date in 1941. On June 1, 1931, 395,662 male wage-earners, or about 4 times as many as at the 1941 Census were unemployed. The percentage of male wage-earners unemployed at the date of the 1931 Census was almost 20 p.c. as compared with 5 p.c. on June 2, 1941, while for female wage-earners the percentages unemployed were roughly 8 p.c. in 1931 and 4 p.c. in 1941.

The Census figures show that about 1,135,000 or 55 p.c. of all male wage-earners and 407,000 or 57 p.c. of the total female-wage-earners worked 50 weeks or more during the 12 months prior to the Census date, June 2, 1941. Approximately 67 p.c. of both male and female wage-earners were employed 40 weeks or more and 77 p.c. of the males and 76 p.c. of the females reported 30 weeks or more of employment during the Census year.

Although the proportion of male wage-earners with short periods of employment as wage-earners during the 12 month period prior to the Census date was much the same as at the 1931 Census, - about 12 p.c. in both years having worked less than 20 weeks - it is unlikely that there was as much extended unemployment in 1941 as in 1931. The more recent Census year was one of expanding employment with the result that a considerable number of persons were drawn into wage-earning jobs, many of whom for a short period during the course of the Census year, from agriculture and other non-wage-earner occupations and, to some extent, from school. New entrants into the labour market in 1941 were especially common among females. Almost 15 p.c. of all female wage-earners at the 1941 Census had worked less than 20 weeks during the 12 month period prior to the date of the Census, while in 1931 only 5 p.c. reported less than 20 weeks of employment.

Such short period employment during the Census year ended June 2, 1941, partly accounted for the fact that 27 p.c. of all male wage-earners and just over 50 p.c. of all female wage-earners in Canada earned less than \$450 over this period. About 54 p.c. of all male wage-earners and 88 p.c. of all female wage-earners earned less than \$950 during the Census year. Almost 90 p.c. of total male wage-earners and 98 p.c. of all female wage-earners earned less than \$1,950. Only about 175,000 males in wage and salaried occupations in Canada earned over \$1,950 during this 12 month period ended June 2, 1941.

At the 1941 Census a tabulation of family earnings in families with wage-earner heads showed that in just over one-quarter of these families aggregate earnings of all members of the family earning was less than \$950. In approximately 75 p.c. of all wage-earner families total family earnings was less than \$1,950, and in about 90 p.c. of these families total family earnings fell below \$2,950. In the Census the family was understood to include husband, wife and children, but not other relatives or lodgers.

Production of Leading Minerals

The output of Canada's leading mineral products in December was as follows, comparisons with December 1941 being in brackets: cement, 329,666 (369,444) barrels; clay products, \$402,887 (\$481,134); coal, 1,735,620 (1,813,963) tons; feldspar, 2,154 (1,020) tons; gold, 359,903 (421,316) fine ounces; gypsum, 27,865 (175,031) tons; lime, 74,357 (73,251) tons; natural gas, 5,166,870,000 (4,829,494,000) cubic feet; petroleum, 858,510 (896,571) barrels; commercial salt, 27,111 (23,778) tons; silver, 1,633,864 (1,721,911) fine ounces.

Car Loadings on Canadian Railways

Car loadings for the week ended February 20 dropped to 59,381 cars from 60,472 in the previous week and 60,849 in the corresponding week last year. In the western division the total increased from 20,583 cars for the previous week to 22,323, all groups except ore being heavier. In the eastern division all groups except pulpwood and more decreased and the total dropped from 39,889 to 37,058 cars.

Reports Issued During the Week

1. Bank Debits to Individual Accounts, January (10 cents).
 2. Index Numbers of Country General Store Sales, January (10 cents).
 3. Car Loadings on Canadian Railways (10 cents).
 4. Monthly Review of the Wheat Situation (10 cents).
 5. Advance Preliminary Statement of Stocks of Canadian Butter, Cheese and Eggs in Principal Cities, March 1 (10 cents).
 6. Wholesale Price Indexes, 1913-1942 (10 cents).
 7. The Sand-Lime Brick Industry, 1941 (10 cents).
 8. Factory Sales of Electric Storage Batteries, Fourth Quarter, 1942 (10 cents).
 9. Advance Report on the Fur Farms of Canada, 1941 (10 cents).
 10. Output of Central Electric Stations, January (10 cents).
 11. Population of Canada by Provinces, Electoral Districts and Sub-Districts, 1941 (50 cents).
 12. Preliminary Report on Department Store Sales, January (10 cents).
 13. Animal Products of Manitoba Farms, 1940 (10 cents).
 14. Canadian Grain Statistics (10 cents).
 15. Canadian Milling Statistics, January (10 cents).
 16. Price Movements, February (10 cents).
 17. World Price Movements (25 cents).
 18. Live Stock Survey - December 1, 1942 - Hogs (10 cents).
 19. Canada's Leading Mineral Products, December (10 cents).
 20. Earnings and Employment Among Wage-Earners, 1941 (10 cents).
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