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World Wheat Situation

March has been a month of unexpected happenings in North American wheat markets. Prices have shaken themselves free of the fetters to which a heavy surplus of wheat supplies has bound them for many months and values have risen to levels unmatched in years both in Canada and the United States. At Winnipeg the price of wheat advanced to \$1.00 per bushel (basis in store Fort William), its highest level since the summer of 1938, while at Chicago a price of \$1.50 per bushel quoted for September futures was the best price seen on the board since 1929.

This transformation from dull to extremely active markets appeared to develop from projections on the wheat statistical situation rather than from any real change in the immediate supply position. United States developments furnished most of the ammunition, first by the announcement that wheat marketing quotas had been lifted for the balance of the 1942-43 crop year and for the whole of the 1943-44 crop season, and secondly on evidence that a heavy volume of wheat is likely to be fed to animals in the United States during 1943.

It was announced by Secretary of Agriculture Wickard that the 125 million bushels of wheat which Congress had authorized the Commodity Credit Corporation to sell for animal feed had been fully disposed of and that authority was being sought to sell a further 100 million bushels. This has now been granted by Congress with the proviso that the new sales be made at prices equal to the full parity price of corn instead of at 85 per cent of corn parity, the price obtained for the first 125 million bushels on which a loss of nearly \$44 million was sustained.

The heavy diversion of wheat to animal feeding, plus the pick up in export shipments to the armies abroad and under lend-lease, caused earlier estimates of total disappearances of United States wheat in the crop year 1942-43 to be revised sharply upward. Latest estimates of wheat disappearance, both domestic and export, now range from 950 to 1,000 million bushels compared with the official estimate of 750 million bushels indicated only a few months ago.

No important change had, in the meantime, taken place in the Canadian supply position, but the widening spread between Chicago and Winnipeg prices coupled with the more bullish views of the American trade resulted in heavy buying of Winnipeg futures. Thus, the Canadian market joined in the general upward movement of price levels and was given additional support by fresh export buying, which trade reports credited to neutral countries.

Wheat developments outside of North America are not particularly noteworthy. A dull situation is reported from Argentina where the new crop of considerable size and excellent quality is not being sold very freely by growers. Advices from Australia are without feature and the improvement in crop conditions in India appears to have lessened the possibility of large exports of Australian wheat to that country. The new harvest is now being gathered in India and very favourable weather in the closing days of the growing season seems to have worked wonders with the crop, which for a time was very unpromising.

An unusually favourable winter in the United Kingdom has resulted in fall-sown crops showing appearance of excellent condition, while spring work is off to a good start with every hope of acreage objectives being reached. Further restriction of imports of wheat-flour from overseas is seen in the new order dated late February which, according to a special cable to the "Northwestern Miller" of Minneapolis, permits only $7\frac{1}{2}$ per cent of white flour to be used in National bread and flour products. Some 25 per cent was previously permitted.

Of conditions on the European continent there is little in the news. The thaw has come earlier than usual to eastern zones and field work is in progress, but the shortage of manpower and fertilizer loom up again as factors of great importance quite apart from weather conditions. The shortage of bread grains is acute in many countries and even the Germans are reported to be eating bread which contains no wheat flour. The loaf in Germany is now reported to be 75 per cent rye flour and the balance barley meal and potato flour.

The see-saw of battle in eastern Russia places the rich Ukraine further out of Soviet reach at the moment but plans are said to be well advanced for making full use of the recaptured North Caucasus territory this spring. It has been reported also that the grain acreage goals for 1943 in the whole of the Soviet Union aim at an increase of 9.6 million acres over last year.

Visible Supply of Wheat

Stocks of Canadian wheat in store or in transit in North America on March 25 amounted to 435,433,439 bushels, including 426,497,075 in Canadian positions and 8,936,364 in United States positions. On the corresponding date last year the visible supply totalled 462,471,931 bushels.

Farmers' Marketings of Wheat

Deliveries of wheat from farms in western Canada during the week ending March 25 totalled 1,917,781 bushels as compared with 2,350,411 in the previous week. During the elapsed portion of the crop year deliveries aggregated 174,930,708 bushels compared with 173,830,515 in the corresponding period of the previous crop year.

Production of Ice Cream in 1941

The production of ice cream in Canada, not including that made in hotels, restaurants and ice cream parlours, increased to 12,782,343 gallons in 1941 from the previous year's output of 9,696,531. Ontario, Quebec and British Columbia were the leading producers in the order named. Based on the above figures, the per capita consumption increased to 1.11 gallons in 1941 from the 1940 figure of 0.85 gallons, an increase of 30 per cent.

Canadian Production of Wool in 1941

The Canadian production of wool in 1942 amounted to 17,596,000 pounds, recording a substantial increase over the 1941 output of 16,340,000 pounds. The production of shorn wool amounted to 12,867,000 pounds, an increase of 1,237,000 pounds. An increase in the total number of sheep shorn as well as a minor increase in the average yield per fleece was responsible for the heavier output. Greater slaughterings of sheep and lambs resulted in a minor increase in the production of pulled wool. Cash income from the sale of wool in 1942 amounted to \$2,977,000, an increase of almost 30 per cent over the 1941 figure. The average price received at the farm for wool in 1942 was 25.5 cents per pound.

Production of Concentrated Milk in February

The output of concentrated milk, whole milk and by-products combined, in February amounted to 10,844,099 pounds compared with 11,374,127 pounds in the corresponding month last year. During the first two months of this year production totalled 22,995,233 pounds compared with 22,465,199 in the like period of the previous crop year.

Bank Debits to Individual Accounts in February

The amount of cheques cashed at the thirty-three clearing centres in Canada was \$3,712 million in February compared with \$2,893 million in the same month last year. The gain was more than 28 per cent, reflecting greater economic activity at a slightly higher price level. During the first two months of 1943 bank debits totalled \$7,611 million against \$6,124 million in the same period of last year, the increase being 24.3 per cent.

Increases were shown in each of the five economic areas in February, the greatest percentage gain having been recorded in Quebec. Totals were as follows by areas in February, figures in brackets being those for February 1942: Maritime Provinces, \$77,709,659 (\$77,690,830); Quebec, \$1,173,917,983 (\$825,810,631); Ontario, \$1,751,579,318 (\$1,344,264,159); Prairie Provinces, \$486,418,160 (\$435,326,084); British Columbia, \$222,218,003 (\$209,771,878).

Bank Debits in 1942

The seasonally adjusted index of bank debits continued its steady upward trend during 1942, broken only by abrupt rises in March and November, when Victory Bond purchases added sharply to the amount of cheques cashed. Final payments on the income tax assessment for the calendar year 1941 contributed to a relatively more pronounced increase in March. The dollar volume of bank debits in the 33 clearing centres for the whole of 1942 amounted to \$45,526 million, a gain of \$6,283 million or 16 p.c. over 1941, and the largest volume recorded for any year except 1929. When it is recalled that 1941 debits were 14 p.c. greater than in 1940, it is evident that not only has the dollar volume of debits increased sharply, but the rate of increase has itself registered a pronounced advance.

Other economic indicators, moreover, showed increases exceeding that of bank debits. The revised index of the physical volume of business in a year marked by rapid advances, averaged 201.7, a gain of 22 p.c. over 1941. Employment in manufacturing rose nearly 23 p.c. Wholesale prices advanced to a considerably lesser degree and the index of common stock prices, down 3.3 points from 67.5 in 1941, nevertheless showed a strong upward trend during the later part of the year, undoubtedly due to speculation occasioned by war optimism.

All economic areas contributed to the rise in bank debits, increases ranging from 1.9 p.c. in the Prairie Provinces to 17.7 p.c. in Ontario. Individual clearing centres contributing over a billion dollars to the total were: Montreal, Quebec, Hamilton, Toronto, Ottawa, Winnipeg and Vancouver. The combined total of the three Maritime centres passed the billion dollar mark for the first time, and Montreal crossed the ten billion dollar line, moving into a stratum hitherto occupied only by Toronto. Notable increases were recorded by Ottawa and St. Catharines, rising 89 p.c. and 72 p.c., respectively, while declines were noted in two centres only, debits in Winnipeg receding by 3.4 p.c. and in Chatham by 4 p.c.

Department Store Sales in February

Sales of Canadian department stores averaged eight per cent higher in February this year over last and recorded a similar gain over the previous month. Unadjusted index numbers on the base 1935-1939=100 stood at 116.1 for February this year, 107.5 for January and 107.4 for February, 1942.

Motion Picture Theatres in 1941

Admissions to motion picture theatres in Canada exceeded one hundred and sixty-two million in 1941 while box office receipts, exclusive of amusement taxes, reached a total of \$41,569,000. In 1940, paid admissions totalled one hundred and fifty-two million and box office receipts, \$37,858,955. Thus, admissions increased 6.9 per cent and receipts 9.8 per cent over 1940. The per capita expenditure at motion picture houses stood at \$3.63 in 1941 compared with \$3.35 in 1940. There were altogether 1,244 motion picture theatres in operation in Canada in 1941 compared with 1,232 in 1940. There was a slight increase in the proportion of single feature programs shown in 1941 compared with 1940. Such performances formed 38.5 per cent of the total number while double features made up the remaining 61.5 per cent.

Production of Iron and Steel in February

The production of pig iron in Canada amounted to 157,467 net tons in February compared with 143,973 in the corresponding month last year. Included in the total for the latest month were 113,855 tons of basic iron, 20,268 tons of foundry iron and 23,344 tons of malleable iron.

Production of steel ingots and steel castings in February totalled 245,588 net tons compared with 242,921 in February, 1942. Output in February this year included 231,531 tons of ingots and 14,057 tons of castings. February output of ferro-alloys amounted to 16,356 tons compared with 17,358 a year ago.

"CANADA 1943" --- Official Handbook of
Present Conditions and Recent Progress

The Dominion Bureau of Statistics announces the publication of the 1943 edition of the Official Handbook "Canada". Canada 1943 covers the present situation in the Dominion from Atlantic to Pacific, the weight of emphasis being placed on those aspects that are currently of most importance. So far as space permits, all phases of the country's economic organization are dealt with and statistics are brought up to the latest possible date. The text is accompanied by a wealth of illustrative matter that adds to the interest of the subjects treated.

The Introduction reviews Canada's war program, covering the development of her Armed Forces, the financial steps that have been taken, and the governmental organizations that have been created with their principal activities. It also reviews Canada's economic condition at the close of 1942. This Introduction is followed by special articles dealing with "Canada's Industrial War Front, 1942" and "Power in Relation to Canadian War Production". The former article treats of the extensive industrial organization that has been developed under the control of the Department of Munitions and Supply for the rapid production of all forms of war munitions.

The chapter material reviews in detail economic conditions under the following headings: Population, Survey of Production, Agriculture, Forest Resources, Fur Production, Fisheries Production, Mines and Minerals, Water Powers, Manufactures, Transportation and Communications, Labour, Employment and Unemployment, Pensions, Construction, External Trade, Internal Trade, Prices, Cost of Living, Public Finance, Currency, Banking, Insurance and Education. All sections of the Handbook are well illustrated by up-to-date half-tone reproductions.

The price of the publication is 25 cents per copy, which charge covers merely the cost of paper and actual press work. The special price concession granted in the past to teachers, bona fide students and ministers of religion has been discontinued in view of the necessity for diverting as large a proportion as possible of Dominion funds to the War, and to the fact that, as far as possible, the sales policy of Government publications should be self-sustaining as regards printing materials used.

Applications for copies of "Canada 1943" should be forwarded to the KING'S PRINTER, OTTAWA, and not to the Dominion Statistician. Postage stamps are not acceptable, and applications must be accompanied by a postal note or by a coin enclosed between two squares of thin cardboard gummed together at the edges.

Reports Issued During the Week

1. Car Loadings on Canadian Railways (10 cents).
 2. Production of Iron and Steel, February (10 cents).
 3. Monthly Review of the Wheat Situation (10 cents).
 4. Motion Picture Theatres in Canada, 1941 (25 cents).
 5. Wool Production, 1942 (10 cents).
 6. Production of Concentrated Milk, February (10 cents).
 7. Department Store Sales, February (10 cents).
 8. Bank Debits to Individual Accounts, 1942 (25 cents).
 9. Canadian Grain Statistics (10 cents).
 10. Canadian Milling Statistics, February (10 cents).
 11. Ice Cream Production, 1941 (15 cents).
 12. Production of Asphalt Roofing, February (10 cents).
 13. Sales of Asphalt Roofing, February (10 cents).
 14. Bank Debits to Individual Accounts, February (10 cents).
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