

## WEEKLY BULLETIN

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### Keeping the Cost of Living Index Up to Date

Shopping these days isn't so simple as it used to be. Wartime scarcities have made it necessary to get some of our calories and vitamins from different foods than those we used to buy. They have brought changes in the clothes we wear and the gadgets we use around the home. What has this to do with the cost of living index? Quite a bit, because the index budget has to be adjusted just as buying habits have to be changed.

We have said that the index continues to measure changes in the cost of a pre-war wage earner's level of living. But this doesn't mean that the content of the index budget is now the same as in 1939. Auto tires, silk stockings, bananas, canned beans, and coke are some of the things which have been removed because most people can't buy them now. Tea, coffee, sugar and gasoline form part of another group for which weights have been changed because of rationing.

The cost of living index takes account of these changes, but for every item which is removed or the quantity reduced, amounts of other things, equal in cost, are added. Silk stockings have been replaced by rayon stockings, the removal of coke has been balanced by more coal, more dry beans take the place of canned beans, and so it goes.

Be clear on this point, no change in the index budget reduces the cost of the budget when the change is made.

A further change is to be made in the index budget this month. Fresh fish will be added to supplement finnan haddie and to replace canned salmon, and the budget quantity of dry beans will be increased. Cabbage and carrots also will be added because canned vegetables have become less plentiful. Next month when turnips are in general supply they too will be included in the index food budget.

Next week we will discuss the prices which are used in calculating the cost of the index budget.

### Production of Leather Footwear in July

The output of leather footwear in July amounted to 2,848,408 pairs, an increase over the preceding month of 17,689 pairs, and an increase over July last year of 250,546 pairs. The total for each size classification follows: footwear for men, 893,008 pairs; boys and youths, 125,935 pairs; women, 1,306,907 pairs; misses and children, 343,240 pairs; and for babies and infants, 179,318 pairs. In the seven months ended July, the production of leather footwear totalled 20,251,037 pairs compared with 19,091,132 in the same period of 1942, an increase of six per cent.

### Employment Situation at Beginning of July

In conformity with the movement indicated in all but one of the last 22 years, there was considerable expansion in industrial employment at the beginning of July when the 13,766 firms furnishing data to the Dominion Bureau of Statistics reported a staff of 1,345,284 as compared with 1,319,239 at the beginning of June. The increase of 26,045 persons or 1.4 per cent, accompanied by a rise of 1.5 per cent in the indicated payroll, was considerably smaller than that at July 1 in any other year since the outbreak of war, being also below the general average in the period from 1920.

Nevertheless, the index at 183.8 per cent of the 1926 average, was exceeded only by that of 186.5 at December 1 of last year; the June 1, 1943, figure was 181.2, and that at July 1, 1942, was 175.7. Since the latest advance was rather less than usual for the time of year, the seasonally-adjusted index showed a decline, falling from 181.2 at June 1 to 180.2 at the date under review; this is the third successive reduction in the seasonally-corrected index.



A considerable proportion of the gain in employment compared with June 1 took place in manufacturing, in which the co-operating establishments increased their staffs by 11,924. These additions were much smaller than at July 1 in either 1942 or 1941, but exceeded the average at that date in the experience of past years. In accordance with recent trends, most of the latest increase took place in plants turning out durable goods, in which 9,400 additional employees were reported. The largest advances were in non-ferrous metal and lumber plants. In the non-durable goods classes, animal and vegetable food, pulp and paper, beverage, petroleum and miscellaneous manufacturing groups showed considerably greater activity, but tobacco, textile and chemical works released employees.

Employment in most of the non-manufacturing divisions showed seasonal advances; except in transportation, these were generally rather below average in extent. There were moderate gains in the mining of non-metallic minerals other than coal, and in communications, services and trade, together with larger increases in transportation and construction. The expansion in the latter was unusually small for the season.

The payrolls disbursed by the co-operating firms at the beginning of July amounted to \$57,119,522, exceeding by 1.5 per cent the sum of \$56,265,170 reported by the same establishments at June 1. The per capita average showed a slight advance, standing at \$30.95 as compared with \$30.93 at June 1. The average at July 1, 1942, had been \$28.40, and at July 1, 1941, \$25.49. The latest figure is the highest in the record of 26 months, with the exception of the April 1, 1943, average of \$31.14.

In the period from June 1, 1941, the average weekly earnings of the typical employee of the co-operating establishments have risen by 22.6 per cent. In this period, the cost of living index has advanced by  $7\frac{1}{2}$  per cent, while increases in taxation and other expenses have also tended to offset a considerable part of the gain in the weekly pay envelope of the average wage-earner. Nevertheless, the employment of additional members of many families has resulted in a considerable improvement in the financial position of a large proportion of the total population.

#### Cost of Living Index

The Dominion Bureau of Statistics cost of living index advanced from 118.8 on July 2 to 119.2 on August 2. This was the sixth consecutive month in which the index has recorded an increase. The total rise for the period has been 2.3 points, with monthly advances ranging from 0.3 to 0.5 points. The decline of 1.9 points occurring in January and February 1943 has been offset in this advance, with a small margin to spare, and the August 1943 index is 1.3 points above the index for July 1942 upon which the last cost of living bonus was authorized.

Foods accounted for most of the August increase. The food index mounted from 131.8 for July to 133.2 for August. Eggs were sharply higher, and there were small scattered increases for beef, veal, lamb, onions, raisins and lemons. Clothing and homefurnishings gained fractionally from 120.5 to 120.6 and 117.8 to 117.9, respectively. Other group indexes remained unchanged, fuel and lighting at 113.4, rentals at 111.5 and miscellaneous items at 108.2.

#### Wholesale Price Movements

Little net change occurred in industrial material price levels during August, the composite index for 30 materials advancing one-tenth of a point to 98.3 between July 30 and August 27. In the food section a  $1\frac{1}{2}$  cents per bushel increase for No. 3 Northern wheat overbalanced slightly lower quotations for steers and hogs, to lift this index 0.8 to 98.3. Both the manufacturing material series and the stable group of commodities were unchanged at 83.6 and 117.1, respectively.

After advancing to 97.2 in the opening week of the month, the weekly index of Canadian farm product prices dipped to 95.5 by the 27th for a net loss of 1.5 points. Accounting for most of the decline was a drop of two points to 81.5 for field products; this reflected sharply lower quotations for potatoes coupled with smaller declines for onions, hay, the higher grades of wheat, and rye. Animal products dipped 0.6 to 112.9, lower prices for livestock more than offsetting firmer quotations for eggs.



## Sales and Purchases of Securities Between Canada and Other Countries during June

Net sales of securities by Canada to other countries in June expanded to \$27.9 million, comparing with \$10.1 million in May and \$21.2 million in April. In June last year, net sales totalled \$8.3 million. Sales of Canadian bonds to the United States continued to be the principal source of the capital inflow. Net sales of securities to other countries were relatively light although the volume of transactions was larger than in preceding months.

Sales of securities to other countries in June amounted to \$35.2 million compared with \$17.6 million in May and \$10.8 million in June 1942. Purchases from other countries in June totalled \$7.3 million compared with \$7.5 million in May and \$4.5 million in June last year. Sales during the first half of 1943 totalled \$148.4 million compared with \$90 million in the like period of 1942, while purchases amounted to \$49.4 million compared with \$33.3 million.

## Crop Conditions in Canada

Wet weather has delayed harvesting in most parts of Canada during the past week and has further aggravated the unfavourable crop situation in the eastern provinces. Frost has been experienced in the Prairie Provinces and while damage has been found difficult to estimate at this time it is expected that grade rather than yield will suffer except in parts of Alberta where the crop is still green. Harvesting of cereals is making good progress in the Maritime Provinces but some hay still remains to be cut. Potato blight is widespread in this part of the Dominion and reduced yields are expected. Grain crops in Quebec are still late and the harvest has been further delayed by wet weather. Yields are running about 20 per cent below last year. Rains have also hindered field work in Ontario where much grain is in stock in some areas. The yields of cereals are also disappointing in Ontario and in many sections the outturn will only be 50 per cent of normal. Soybean and sugar beet crops have shown improvement and corn prospects are good if frost holds off during the next three weeks.

The harvest is well advanced in most parts of the three Prairie Provinces and a good percentage of threshing has been done in Manitoba. Rains were fairly widespread the past week but a resumption of field work is now reported from many parts of the west. Frost was experienced at a number of points and was heaviest in Alberta but most correspondents believe that grade rather than yield will suffer most from the low temperatures except in those areas of Alberta, chiefly between Calgary and Edmonton where much of the crop was still very green last week. Wheat-stem sawfly and hail damage of importance occurred in Saskatchewan chiefly in the western and central districts. Cutting and combining is well advanced in Manitoba, and about 60 per cent of wheat and oats have been cut or combined in Saskatchewan, but except for the southern areas of Alberta and north and north-western districts including the Peace River block in British Columbia, the harvest in Alberta is late.

In British Columbia, the cutting of grain crops is now general with threshing well underway in southern areas. The hop and tobacco yields are satisfactory and prospects for potatoes are good, although blight is general in some districts. Apples of the McIntosh variety are larger than last year but the onion and tomato yields are below expectation.

## Visible Supply of Wheat

The visible supply of Canadian wheat at midnight on September 2 totalled 385,123,158 bushels, including 369,714,900 in Canadian positions and 15,408,258 in United States positions. A week earlier stocks amounted to 385,631,384 bushels and on the corresponding date last year, 396,923,494 bushels.

## Marketings of Wheat and Coarse Grains

Farmers in western Canada marketed 4,711,360 bushels of wheat during the week ending September 2 as compared with 4,336,669 in the previous week. From August 1 to September 2 marketings totalled 15,439,660 bushels compared with 3,637,462 in the corresponding period of the previous crop year. The following quantities of coarse grains were marketed during the week ending September 2, figures for the previous week being in brackets: oats,



3,333,558 (2,837,575) bushels; barley, 2,246,479 (1,739,410); rye, 52,802 (32,501); flaxseed, 327,909 (170,577).

#### Fisheries of British Columbia in 1942

A new high level was reached in the value of the fisheries production of British Columbia in 1942. The total as marketed was \$38,059,559, an increase over the year 1941 of \$6,327,522 or 20 per cent. The salmon fishery of British Columbia, which is the most important fishery in the Dominion had a production value of \$22,419,381, accounting for 59 per cent of the total fisheries output of the province.

Herring, which is second on the list of British Columbia's chief commercial fishes, had a value of \$8,223,754, an increase over 1941 of \$3,558,494 or 76 per cent. The pilchard fishery shows a value of \$2,016,607, its most important products being oil and meal.

The total quantity of fish of all kinds, including shell fish, taken by British Columbia fishermen during the year was 5,712,725 cwt. compared with a catch of 5,418,891 cwt. Average prices per cwt. paid to the fishermen for the principal kinds of fish in 1942 with figures for 1941 in brackets, were as follows: salmon, \$7.89 (\$6.01); herring, 54 cents (39 cents); halibut, \$15.68 (\$12.36); and pilchards, 51 cents (50 cents).

#### Civil Aviation in May

Passenger traffic of air carriers increased to 25,204 revenue passengers carried a total of 8,614,258 miles in May as against 20,045 passengers and 6,163,247 passenger miles for May last year, and 22,580 passengers and 7,943,875 passenger miles for April. The carriers operating in the north country where operations are affected by the Spring breakup, showed decreases, but for international and intercity routes where surfaced runways are used, substantial increases over April operations were shown. The effect of the spring breakup was more noticeable for freight carried which dropped from 835,779 pounds in April to 553,250 pounds. Mail continued to increase, amounting to 641,493 pounds compared with 374,176 in May last year. Operating revenues of Canadian licensed carriers increased to \$1,295,722 as against \$903,197 in 1942.

#### Indexes of Wholesale Sales in July

The dollar value of wholesale trade in July averaged 13 per cent higher than in the corresponding month last year. The general index of sales on the base 1935-1939=100 stands at 174.3 compared with 174.3 in the previous month and 154.3 for July, 1942. Sales for the first seven months of 1943 averaged seven per cent above the corresponding period of 1942.

#### Indexes of Retail Sales in July

Retail sales in July averaged eight per cent higher than in the corresponding month last year but were seven per cent lower than in the previous month. The composite index of sales on the base 1935-1939=100 stands at 148.1 compared with 158.9 for June and 137.3 for July, 1942. During the seven months ended July sales averaged five per cent heavier than in the like period of 1942.

#### Production of Coal and Coke in July

Canada's coal mines produced 1,365,648 tons of coal during July as compared with 1,497,196 tons during the corresponding month a year ago. Production for the first seven months of this year totalled 10,259,354, a reduction of six per cent from the output during the same period of 1942.

Imports of coal during July totalled 3,063,078 tons compared with 2,805,445 in July 1942, and for the seven months ended July, 13,011,006 tons compared with 12,536,520 in the like period of 1942. July exports of Canadian coal amounted to 34,752 tons compared with 77,118 a year ago, while the seven month total was 562,502 tons compared with 352,039.

Coke production in July amounted to 303,000 tons compared with 266,000 in the previous month and 275,000 in July last year. Output during the seven months ended July totalled 1,873,000 tons compared with 1,910,000 in the same period of 1942.

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#### Car Loadings on Canadian Railways

Car loadings for the week ended August 23 declined from 72,320 cars for the previous week to 68,937, but this was 3,204 cars above the total of 66,343 cars for the corresponding week last year. In the eastern division loadings decreased from 44,563 cars in 1942 to 43,953, coal being down by 113 cars, lumber by 522, ore by 51 and miscellaneous by 1,812 cars. In the western division loadings increased from 21,700 cars to 24,984, grain accounting for 3,485 cars and coal 653 cars of the increase.

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#### Reports Issued During the Week

1. Car Loadings on Canadian Railways (10 cents).
  2. Coal and Coke Statistics, July (10 cents).
  3. Price Movements, August (10 cents).
  4. The Employment Situation, July (10 cents).
  5. Stocks of Raw Hides and Skins, July (10 cents).
  6. Current Trends in Food Distribution, July (10 cents).
  7. Canadian Grain Statistics (10 cents).
  8. Monthly Indexes of Retail Sales, July (10 cents).
  9. Monthly Indexes of Wholesale Sales, July (10 cents).
  10. Civil Aviation, April (10 cents).
  11. Civil Aviation, May (10 cents).
  12. Production of Leather Footwear, July (10 cents).
  13. Fisheries Production of British Columbia, 1942 (10 cents).
  14. Sales and Purchases of Securities Between Canada and Other Countries, June (10 cents).
  15. Telegraphic Crop Report, Canada (10 cents).
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