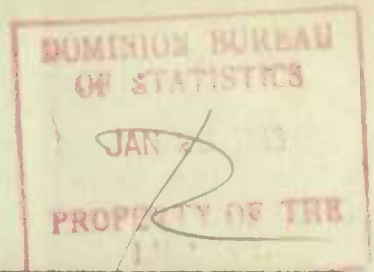


WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce



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Economic Conditions during Eleven months of 1942

The impact of the war was the occasion of marked expansion in economic activity in Canada during 1942. Productive operations and the deposit liabilities of the banks rose to new high levels in history. The advance in wholesale prices and bond prices were of a moderate character. Commodity prices, however, averaged higher than in any other time since 1929. High-grade bond prices were relatively stable averaging higher than at any other time since the first half of 1939. Each of the four factors were above the inter-war trend. While common stock prices and speculative trading were at a low level in 1942, advances were recorded in the last quarter.

Averaged for the first eleven months, the index of the physical volume of business was 23 p.c. higher in 1942 than in the preceding year. The index of prices recorded a standing of 95.6 against 89.5, a gain of 6.8 p.c. The increase in four classes of bank deposits was 9.4 p.c., the advance having been from \$3,019 million to \$3,303 million. The index of common stock prices was 63.5 against 67.5, a decline of 4 points or nearly 6 p.c.

Owing mainly to the expansion in war production, the index of manufacturing operations advanced from 172 to nearly 240, a gain of 39 p.c. The output of factory cheese was 196.3 million pounds against 141.3 million. The release of cigarettes rose from 7,862 million to 9,276 million. The primary iron and steel industry made further advances over the high level of 1941. Steel ingot production was 2,854,000 short tons against 2,456,000. Owing to the shortage of scrap material, the production of pig iron rose sharply from 1,362,000 to 1,811,000 tons.

Declines were shown in the new business obtained by the construction industry, contracts showing a reduction of 27.4 p.c., while building permits in 58 municipalities were 26.7 p.c. lower. The consumption of firm power as produced by the central electric stations was 29,487 million k.w.h. against 25,032 million, a gain of 17.8 p.c. Retail sales recorded a gain of 15 p.c. according to the indexes available for the first ten months of the year. The increase in wholesale sales was 10.3 p.c.

Railway traffic recorded a considerable expansion over the high level of 1941. The number of tons carried one mile on the two principal railways during the first ten months recorded a gain of 10.6 p.c. Carloadings numbered 3,114,000, amounting to a gain of nearly 6 p.c. The gross revenues in the first ten months showed an increase of 26.7 p.c. on the Canadian National and 17.2 p.c. on the Canadian Pacific.

Drawing upon our experience with the aftermath of the last world war, we should be able to visualize more clearly the role that Canada may play in the rehabilitation of world trade. The structure of the Canadian economy is such that any important interruption in the flow of trade across our borders would deal us a serious blow. A realistic attempt at economic co-operation between the United Nations is envisaged as the only sound basis for any durable political settlement.

While the war and consequent shipping difficulties have disrupted the normal channels of trade, the retention of commercial relationships with other countries is highly desirable. The rebuilding of our export trade after the war will be a major factor in any scheme of reconstruction.

The close relationship established in wartime by the interchange of war supplies with the United States will provide experience for the better integration of Canadian and American industrial enterprise. It is hoped that the careful adjustment of tariffs and proper planning for the conversion of wartime industrial plant will be beneficial to both nations. The varied nature of the countries in the British Commonwealth ensures a revival of trade based on the fundamental principle of comparative advantage.

Marked changes characterized the external trade of Canada during the year just ended. The major portion of the munitions and war supplies produced in Canada were shipped to the battle fronts upon which the United Nations are doggedly defending their freedom.

## November Employment Situation

There were further substantial increases in employment and payrolls at the beginning of November, when the firms cooperating in the Dominion Bureau of Statistics' monthly survey reported the addition of 19,946 persons to their staffs, which aggregated 1,835,933. The weekly salaries and wages disbursed by the 13,265 establishments furnishing information at November 1 amounted to \$54,690,130; as compared with the sum of \$53,582,565 paid on or about October 1, there was an advance of 2.1 p.c. The contents of the average pay envelope of the persons in recorded employment rose from \$29.51 in the preceding period of observation, to a new maximum of \$29.79 at the beginning of November.

The expansion in industrial employment, which was contra-seasonal in character, involved the addition of a rather larger number of persons to the working forces than that noted at November 1, 1941, when the percentage gain was the same. The latest increase took place in the non-manufacturing industries, the first occasion in a lengthy period in which the advance in employment in such classes has exceeded that indicated in manufacturing. There was a moderately upward movement in the latter, further important increases in iron and steel, non-ferrous metal, electrical apparatus and chemical plants being largely off-set by reductions in vegetable food, lumber, pulp and paper and textiles.

Logging showed considerably greater seasonal activity, some 11,500 men having been taken on by the cooperating camps. As in recently-preceding months, this advance was on a scale somewhat below normal for the time of year. Construction and trade also afforded substantially more employment; the improvement in the former was contra-seasonal, being mainly due to work on defence projects. The additions to the personnel in trade were slightly larger than usual for November; nevertheless, employment in this division continued in smaller volume than at the same date in 1941. Mining, communications, transportation and services reported lessened activity. Except in mining, the losses in personnel were seasonal.

Although employment generally continues in greater volume than in any earlier period, the effect of shortages of labour and materials is becoming evident in an increasingly large number of industries, in which the levels in more recent months have fallen below those established in 1941. The manufacturing divisions in which this situation prevails comprise most of those producing non-durable goods, with the notable exception of chemicals and miscellaneous manufactured products, both of which are largely engaged in war work. Logging, mining and trade, among the non-manufacturing industries, have likewise been adversely affected by the prevailing labour stringency. As compared with pre-war records, however, employment is greater in practically all lines of industry.

The general index number of employment at the beginning of November, 1942, was 183.5, the highest to date. The October 1 figure was 181.3, while that for November 1, 1941, was 167.6. There was thus an increase of 9.4 p.c. in the latter comparison, which was accompanied by that of 20 p.c. in the index number of payrolls. The seasonally adjusted index number of employment rose from 172.5 in the preceding month, to 175.4 at the beginning of November, 1942, when it was higher than in any previous month.

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## Claimants for Unemployment Insurance Benefits

Reflecting the continued high level of industrial employment in Canada, the number of claims for benefit received by the Unemployment Insurance Commission declined from 2,668 in July to 1,058 in October, the latest month for which statistics are available. Of the number received in October, 918 were initial claims, while the balance of 140 were renewal claims. In July, 2,511 claims were initial and 157 were renewals.

In October, 1,222 persons received benefits under the Act and were paid a total of \$25,856 as compared with 1,616 persons who were paid a total of \$35,606 in July. The average amount paid per beneficiary declined from \$22.03 in July to \$21.16 in October. Worked out on a daily basis the average amount paid by the Commission per compensated day of unemployment was \$1.81 in October as compared with \$1.177 in July.

The average duration of the unemployment period for which compensation was paid dropped to 11.7 days in October from 12.5 days in July.

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### Third Estimate of Field Crops

The third estimate of Canada's 1942 wheat crop shows a reduction of 15 million bushels from the second estimate made last November and is 22.5 million below the first estimate issued in September. Production is now placed at 592.7 million bushels compared with 314.8 million, the final estimate of the 1941 crop. All of the latest reduction occurred in the Prairie Provinces where the crop is now estimated at 565 million bushels. Although production for all Canada is brought under the 600 million bushels mark, the 1942 wheat crop remains the largest on record, challenged only by the 567 million bushels produced in 1928 and the 540 million in 1940. Fall wheat included in the total and grown chiefly in the province of Ontario, is estimated at 23.4 million bushels or about 56 per cent greater than the 1941 crop. Wheat acreage in 1942 showed a small reduction from the previous year but an ideal growing season, and, to an appreciable extent, the large proportion of the crop planted on summer fallow resulted in record yields per acre.

Coarse grain production shows practically no change from the previous estimate. The third estimate of the oats crop is 652 million bushels compared with 306 million produced in 1941, while barley production is now placed at 269 million bushels compared with 111 million in 1941. The rye crop of almost 25 million bushels compares with about 12 million in 1941. Flax seed production in 1942 totalled 15 million bushels, a very substantial increase over the 1941 harvest of 5.8 million bushels.

Potato crops in 1942 were larger in six of the nine provinces and production is now estimated at 42.9 million hundredweight compared with 39 million in 1941. Quebec, Ontario and Manitoba showed smaller production in 1942. Hay and clover crops now estimated at 16 million tons exceed 1941 production by 3.4 million tons, while alfalfa production at 3.7 million tons is one million tons in excess of the 1941 crop. Fodder corn and corn for husking show slightly higher production in 1942 compared with 1941 and a small increase is noted also in the size of the 1942 sugar beet crop.

The gross value at the farm of all field crops produced in Canada in 1942 is currently estimated at \$1,145,778,000, an increase of \$461,889,000 over the 1941 figure. The grain crops, principally wheat, account for most of this increase in value.

An area of 60,809,200 acres was utilized in 1942 for the production of the principal field crops in Canada and this represented an increase of some four million acres over the total area of 56,788,400 acres in use for these crops in 1941.

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### Production of Crude Petroleum and Natural Gas in November

The Canadian production of crude petroleum and natural gasoline in November totalled 838,350 barrels as compared with 859,895 in the previous month and 855,993 in the corresponding month of 1941. The total for the first eleven months of this year aggregated 9,504,291 barrels as compared with 9,226,961 in the like period of 1941.

Natural gas output in November amounted to 4,460,136,000 cubic feet as compared with 3,423,690,000 the month before and 3,984,832,000 in the same month of 1941. This was the highest production recorded for several months. During the eleven months ended November production totalled 38,733,863,000 cubic feet as compared with 34,722,839,000 in the same period of 1941.

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### Sales of Gasoline in October

According to returns received by the Dominion Bureau of Statistics from the gasoline tax departments of the Provincial Governments the October sales of gasoline in Canada totalled 98,133,000 gallons as compared with 96,855,000 in September and 95,364,000 in October of 1941. Sales during the ten months ended October totalled 779,255,000 gallons as compared with 833,073,000 in the same period of 1941.

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### Visible Supply of Wheat

Stocks of Canadian wheat in store or in transit in North America on January 14 totalled 468,535,902 bushels compared with 468,509,037 a week earlier and 497,988,148 on the corresponding date last year. The amount in Canadian positions was 448,984,484 bushels the balance of 19,551,418 being in United States positions.

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## Marketings of Wheat from Western Farms

Marketings of wheat from farms in western Canada during the week ending January 14 totalled 4,507,865 bushels as compared with 3,568,971 in the previous week. The total included 44,388 bushels of Durum wheat in the latest week as compared with 18,883. From the commencement of the crop year to January 14 marketings aggregated 152,260,233 bushels compared with 153,995,825 in the corresponding period of the previous crop year.

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## Car Loadings on Canadian Railways

Car loadings for the week ended January 9 amounted to 57,732 cars as compared with 56,642 in the corresponding week last year. In the eastern division loadings declined from 37,049 cars to 35,372, grain, coal, pulp and paper and merchandise all showing substantial decreases. In the western division loadings increased from 19,593 cars to 22,360, grain being up by 1,983 cars, miscellaneous by 835, and merchandise by 496 cars. Coal was down by 450 cars, making the decrease for both divisions 1,289 cars.

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## Gross Revenues of Canadian Railways

Approaching near-record levels gross revenues of Canadian railways amounted to \$61,281,447 in October as compared with \$51,239,250 in the corresponding month in 1941, recording an increase of approximately \$10,000,000. The high record for monthly revenues was established in October 1928, when the total was \$61,871,271. Passenger revenues increased over 1941 by 49.1 per cent and freight revenues by 15 per cent. Operating expenses advanced from \$37,304,201 to \$43,742,483, and the operating income increased from \$11,482,867 to \$15,423,705. The pay roll increased from \$21,732,215 to \$24,864,917.

Operating revenues of Canadian lines of the Canadian National Railways increased to \$32,128,400 in October from \$25,105,932 in 1941. Operating expenses rose to \$24,346,408 from \$19,727,676, and the operating income increased to \$8,280,271 from \$4,775,337. Freight traffic was 17.5 per cent heavier and passenger traffic was up by 45.4 per cent. The United States lines also showed increases in gross revenues and operating income, raising the system gross revenues to \$36,002,000 from \$28,760,510 in 1941, and the operating income to \$8,827,537 from \$4,991,052.

Gross revenues of the Canadian Pacific Railway Company amounted to \$22,977,495 as compared with \$21,728,499 in 1941, and the operating income declined to \$5,718,182 from \$5,937,888 in 1941. Passenger traffic increased by 61.5 per cent, but freight traffic measured in revenue ton miles decreased by 7.8 per cent, and freight revenues were down by \$492,940 or 2.8 per cent.

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## Electric Railways in 1941

Electric railway systems carried a total of 795,170,569 passengers during 1941 as compared with 681,664,988 in 1940, an increase of 113,505,581 or 16.7 per cent. The ten large electric railway systems provided transportation for 722,993,796 passengers as compared with 623,198,161 in 1940, a gain of almost 100,000,000. Only two small systems failed to show increases in passenger traffic and their decreases were insignificant. The London Street Railway ceased operating street cars in 1940 and operated buses exclusively in 1941.

The passengers carried by the ten largest systems operating in Canada during 1941 were as follows, figures for 1940 being in brackets: Montreal Tramways, 263,571,788 (225,964,051); Toronto Transportation, 200,419,215 (173,639,820); British Columbia, 83,996,509 (76,411,790); Winnipeg, 51,246,410 (44,602,935); Ottawa, 31,785,923 (25,775,238); Hamilton Street, 22,358,246 (18,277,519); Quebec Railway, Light and Power Company 21,883,709 (18,654,225); Nova Scotia Light and Power Company Limited, 17,363,700 (12,592,990); Edmonton Radial, 17,177,517 (16,002,073); Calgary Municipal, 13,190,779 (11,477,520).

The car and bus miles reached a low point in 1933 and have been increasing each year, especially during the last two years, amounting to 137,578,542 in 1941, an increase over 1940 of 7.3 per cent. The number of motor buses in service of electric railways increased from 926 in 1940 to 1,117. The number of street cars increased from 3,358 to 3,362 and trackless trolley cars increased from 29 to 30.

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### Tonnage of Vessels in Foreign Service

The registered net tonnage of all vessels plying between Canadian ports and ports in foreign countries, including United States ports on the Great Lakes and connecting rivers as well as ports in other countries abroad was 40,332,350 in 1941. The tonnage of vessels of Canadian registry was 23,880,250, United Kingdom 4,326,250, United States 8,895,750, Norway 1,892,400, Panama 853,100, Greece, 642,650, Newfoundland 453,550, Yugoslavia 313,900, Netherlands 261,200. The registered tonnage of vessels using Atlantic and Lower St. Lawrence River Ports was 12,623,450, Great Lakes and Upper St. Lawrence Ports 18,207,000 and Pacific Ports 9,501,900.

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### Wholesale Prices in December

Closing the year at a 1942 peak of 97.2, the composite monthly wholesale price index on the base 1926=100 registered a gain of 0.1 over November and 3.6 points over December, 1941. Accounting for the November-December increase were advances in the vegetable, animal and non-metallic products groups which more than offset a drop of 1.3 points in the chemicals and allied products section. No changes were recorded in the other four main groups during this interval.

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### Building Permits Issued in December

The value of building permits issued by municipalities reporting to the Dominion Bureau of Statistics in December totalled \$6,358,265 as compared with \$7,828,184 in the previous month and \$8,391,308 in the corresponding month last year. During the calendar year 1942, permits were issued to the value of \$103,820,302 as compared with \$135,301,519 in 1941.

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### Reports Issued During the Week

1. Third Estimate of Production and Value of Field Crops, Canada (10 cents).
  2. Price Movements, December (10 cents).
  3. The Employment Situation, November (10 cents).
  4. Statistical Report on the Operation of the Unemployment Insurance Act, July to October, 1942 (25 cents).
  5. Car Loadings on Canadian Railways (10 cents).
  6. The Boat Building Industry, 1941 (10 cents).
  7. Statistics of Electric Railways, 1941 (15 cents).
  8. Economic Conditions during Eleven Months Ended November, 1942 (10 cents).
  9. Shipping Report, Years Ended March 31, 1941, and December 31, 1941 (25 cents).
  10. Building Permits, December (10 cents).
  11. Operating Revenues, Expenses and Statistics of Railways, October (10 cents).
  12. Petroleum and Natural Gas Production, November; and Gasoline Sales, October (10 cents).
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