

WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce

Vol. XI - 40

Ottawa, Saturday, October 2, 1943

Price \$1.00 per year

Business Advance in August

The index of the physical volume of business, measuring the trend of output by productive enterprise and commodity distribution, rose to a new high point in August, being 241 as compared with 236.3 in July. The sub-indexes indicating the trend of mineral production, manufacturing and construction rose to a higher point in the month under review. Minor advance was also shown in the index of distribution, based on the movement of railway freight, retail and wholesale trade and the volume of trade with other countries. The index of mineral production rose 10 points to 337.7. The output of coal was 1,426,000 tons against 1,366,000 in the preceding month, the index having been practically maintained even after seasonal adjustment.

Rising from 234.8 to 290.8, the gain in the index of manufacturing was six points. Minor recession was shown in the trend of flour-milling activity. The index of the release of tobacco showed considerable expansion, the main influence being the increase in the number of cigarettes made available. The number released was 919 million against 821 million in the preceding month. Hog slaughterings showed recession in August while cattle and sheep were at higher levels. The dairy industry recorded acceleration after seasonal adjustment. The textile index receded nearly one point to 156.5. Indicators of activity in cotton and rayon industries showed decline, while advances were recorded in woollen and knitting mills. The forestry index advanced from 126 to 127.2, some gain having been shown in the movement of planks and board. The index of new business obtained by the construction industry rose from 69.5 to 84.9. The gain in the output of electric power was less than normal for the season, the index receding from 167.3 to 163.7. The advance in the distribution index was less than one point to 166.9.

Economic Activity in August compared with the Preceding Month
1935-1939=100

	1943	
	August	July
Physical Volume of Business	241.0	236.3
Industrial Production	276.8	270.2
Mineral Production	337.7	327.7
Gold Receipts	78.5	103.9
Coal Production	143.5	143.7
Manufacturing	290.8	284.8
Flour Production*	166.6	167.1
Rolled Oats Production*	49.6	61.2
Inspected Slaughterings	159.5	167.0
Cattle	111.9	107.5
Sheep	87.1	80.8
Hogs	200.0	217.4
Creamery Butter	120.0	119.7
Factory Cheese	136.3	131.4
Tobacco	150.5	124.3
Cigar Releases	116.3	125.0
Cigarette Releases	153.2	124.1
Boots and Shoes Production*	143.1	135.8
Textiles	156.5	157.4
Cotton Consumption	136.8	139.1
Forestry	127.2	126.6
Newsprint	100.8	102.4
Iron and Steel	589.9	576.4
Pig Iron Production	260.7	255.8
Steel Production	256.0	255.1
Construction	84.9	69.5
Contracts Awarded	83.5	57.5
Building Permits	90.6	117.2
Cost of Construction	131.4	129.7
Electric Power	163.7	167.3
Distribution	166.9	166.1
Marketings -		
Grain and Live Stock Marketings	120.5	295.2

Cont'd. on next page

Economic Activity in August compared with the preceding month Cont'd.
1935-1939=100

	1943	
	August	July
Grain Marketings - Country Elevators	123.4	339.3
Wheat	90.1	434.3
Live Stock Marketings	108.1	104.0
Cattle	106.5	79.3
Calves	103.5	74.4
Hogs	126.3	102.8
Sheep	91.2	63.4
Cold Storage Holdings, 1st of following month	132.7	130.7
Eggs	166.9	176.2
Butter	118.9	119.7
Cheese	108.3	132.1
Beef	126.3	120.2
Pork	159.3	144.2
Mutton	213.4	130.0
Poultry	84.7	52.4
Lard	119.5	115.0
Veal	162.6	161.0

* Preceding Month

Visible Supply of Canadian Wheat

Stocks of Canadian wheat in store or in transit in North America at midnight on September 23 totalled 377,371,005 bushels, including 363,969,403 bushels in Canadian positions and 13,402,322 in United States positions. On the corresponding date last year the visible supply totalled 406,912,145 bushels.

Farmers' Marketings of Wheat and Coarse Grains

Farmers in western Canada marketed 5,604,361 bushels of wheat during the week ending September 23 as compared with 5,353,104 in the previous week. The totals include 342,007 and 214,908 bushels of Durum, respectively. During the elapsed portion of the crop year - to September 23 - marketings totalled 31,915,321 bushels compared with 23,379,438 in the corresponding period of the previous crop year.

The following quantities of coarse grains were delivered from the farms during the week ending September 23, totals for the previous week being in brackets: oats, 2,661,794 (2,146,433) bushels; barley, 3,013,276 (2,471,632); rye, 40,657 (30,391); flaxseed, 1,353,105 (890,125) bushels.

World Wheat Situation

A new peak in the carry-over stocks of wheat in Canada, the United States, Argentina and Australia was reached at the close of the crop year 1942-43. These four countries had a combined surplus of 1,578,000,000 bushels of wheat, or 157,000,000 bushels more than they held a year earlier.

Four years of war have witnessed a steady rise in wheat-surplus stocks in the major exporting countries. This accumulation has sometimes been attributed to loss of export markets but this is not borne out by statistics. In actual fact, this group of countries has disposed of about 400,000,000 bushels more wheat in the four war years than in the four years preceding the outbreak of hostilities, taking into account both exports and domestic utilization of wheat.

It is true that the volume of international trade in wheat since 1939 has shrunk about 20 per cent compared with the four years before the war, but because of increased domestic use of wheat, particularly in the United States and Canada, where large amounts have been fed to animals in order to maintain essential live-stock production, this loss of foreign markets has been wholly offset. In Canada's case export shipments have actually been larger during the war period, while at the same time her domestic utilization of wheat has risen substantially above pre-war figures.

The rising tide of surplus wheat in these surplus-producing countries can be attributed wholly to favourable wartime harvests, at least in North America. In Canada, for instance, total production of wheat in the four years 1939-42 was almost double that of the previous four years, while in the United States it was about 14 per cent greater. Wartime harvests have yielded less wheat in the southern hemisphere countries, but total production in the four countries in the period 1939-42 was 1,207,000,000 bushels greater than in the four years 1935-38, on a sharply reduced wheat acreage.

Let us look now at the wheat position in the fifth year of the war. The 1943 wheat crop in Canada and the United States is 416,000,000 bushels smaller than it was in 1942, but taking carry-over into account, the total supply is only 252,000,000 bushels less than it was a year ago. Export and relief shipments in the current crop year are too closely tied to war developments and transportation problems to be gauged at this time, but domestic utilization of wheat is likely to be substantially greater in 1943-44 than it was a year ago, especially in the United States.

The most recent calculation of the disposition of domestic wheat supplies in the United States indicates that a total of 1,200,000,000 bushels will be used and that the carry-over on June 30, 1944, may be down to the "minimum desirable level" of 250,000,000 bushels. This calculation envisages the feeding of 427,000,000 bushels of wheat to live stock and the use of 125,000,000 bushels for the production of industrial alcohol. Importations of Canadian wheat are also contemplated but the volume will depend largely on the availability of transportation equipment.

Canada's position will be influenced to a greater extent by export development than by happenings on the home front, although the high level of domestic utilization of wheat established in the crop year 1942-43 is likely to be maintained if not increased in the current season. Little can be said of the Argentine and Australian situation until the new harvest is gathered next winter, but there is evidence that Australia has unpromising crop prospects on a small wheat acreage, while Argentine farmers have apparently not increased their wheat acreage to the extent anticipated.

Australia has received an order for 500,000 tons of flour from the British Government and in the event of a small harvest this year this substantial order, plus the expanding use of wheat for animal feeding in Australia, should bring the surplus down in 1944. Argentina will dispose of more than 90,000,000 bushels of wheat as fuel and animal feed in the next twelve months, but the effect of this on her total supply situation will not be seen until the size of the new harvest, which is due in December, can be measured.

All the signs point to a substantial reduction in the wheat surplus of these four countries a year hence, but the prospective statistical position on July 31, 1944, is tempered to some extent by the fact that the United States Administration has asked for an increase of 14,000,000 acres in wheat plantings for the 1944 harvest. Canada seems certain also to have a very substantial surplus still on hand at the close of the present crop year, having a total supply of almost 900,000,000 bushels available.

August Output of Central Electric Stations

Central electric stations produced 3,428,513,000 kilowatt hours in August as compared with 2,989,690,000 in August last year, an increase of 14.7 per cent. This was a daily average of 110,597,000 kilowatt hours, which has been exceeded only twice, namely in May and June. During the eight months ended August, production totalled 26,456,985,000 kilowatt hours compared with 24,567,745,000 in the similar period of 1942.

Consumption of secondary power in Canada increased from 102,224,000 kilowatt hours in August last year to 184,787,000 kilowatt hours and consumption of primary power, including line losses, increased from 2,692,399,000 to 3,014,923,000 kilowatt hours, the highest on record. On a daily basis it was also a new high record. The index adjusted for seasonal fluctuations was below the peak reached in July by 2.3 points.

Production of Concentrated Milk

The production of concentrated milk and by-products in August totalled 28,538,273 pounds, a decrease from the preceding month of 3,158,602 pounds, but an increase over August last year of 183,163 pounds. Of the total output, whole milk products accounted for 24,065,674 pounds and the by-products for 4,472,599 pounds. The combined production of all items in the eight months ended August was 190,855,059 pounds compared with 186,971,245 in the corresponding period last year.

Crop Conditions in Western Canada

Good progress was made with the harvesting of wheat and coarse grain crops in western Canada during the past two weeks. Weather conditions were favourable for field work but the absence of rain led to deterioration of pastures, especially in the drier areas of Saskatchewan.

Threshing is fairly well completed in Manitoba with the exception of flaxseed but where flaxseed has been threshed the yields are very satisfactory. Cutting of wheat and coarse grain in Saskatchewan is only 88 per cent completed and threshing 61 per cent completed in wheat and 53 per cent in coarse grain. In some areas, particularly between Regina and Weyburn, and in the extreme south-western districts of the province, about 90 per cent of the threshing has been completed.

Alberta has made good progress also and most of the cutting has been done, but very little threshing has been completed in the Edmonton area. Frost damage is showing in the early samples of grain from a number of districts in Alberta where late crops were caught by severe frost earlier this month. The Lacombe district appears to have suffered considerably from both hail and frost and much low grade grain is expected to show up in that section of the province.

Sunflower and rape seed crops in southern Manitoba are very promising and are expected to yield heavily, but corn crops in the Red River Valley may show frost damage. Potato crops in some sections of Saskatchewan are also very promising. This crops is in plentiful supply around Senlac, while the Swift Current area estimates a yield of 90 bushels on non-irrigated and 225 bushels on irrigated land.

Sawfly damage has extended in both Alberta and Saskatchewan and threshing returns in the southern sections of Alberta indicate more serious loss than previously estimated. Some districts show losses up 75 per cent.

Honey Crop in 1943

The 1943 honey crop is tentatively estimated by the Dominion Bureau of Statistics at 32.5 million pounds - one of the best on record. It exceeded the 1942 crop of 24.1 million pounds by 8.4 million pounds or 35 per cent. Although there was a slight decline in the number of producing colonies this year the average yield was 78 pounds per colony compared with only 56 pounds in 1942 and the long-term average yield of 70 pounds. About 28 million pounds, or 87 per cent of the crop was light honey.

One-third of the total Canadian crop was produced in Ontario where production is estimated at 12 million pounds as compared with the short crop of 7.8 million pounds in the previous year. Production in the Prairie Provinces totalled about 14 million pounds, which is considerably in excess of the 10.6 million pounds produced in 1942. A good crop of approximately five million pounds of honey was extracted in Quebec. Production in British Columbia was estimated at 1.3 million pounds, which is slightly less than the amount produced in 1942. Production in the Maritime Provinces was less than in the previous year.

About 50 per cent of the crop has already been marketed when retail sales of honey were suspended by government order prior to the introduction of coupon rationing for this commodity effective September 2. Prior to that date the greater proportion of sales had been made direct to the consumer with very little honey moving through normal trade channels.

Farm Wage Rates

Wages paid to hired help on farms at August 15 this year show a further sharp increase over those paid at the same date of 1942. When the employer provided the board of the hired man the average rate for help hired by the day was \$3.51 in 1943 as compared with \$2.50 a year previously. When no board was provided the rate in 1943 was \$4.74 as compared with \$3.15. Wage rates for day help were highest in Ontario but substantial increases were shown in all provinces.

When the men were hired by the month the average wage rate with board was \$61.26 at August 15, 1943, as compared with \$46.82 at the same date in 1942. When the workers provided their own board the average rate for men hired by the month rose from \$64.94 in 1942 to \$84.26 in 1943. Current rates of wages for farm help are more than double those paid in 1940.

Shipments of Wheat to Greece in August

Wheat shipments to Greece in August amounted to 645,151 bushels. These shipments, which began in August last year, are a straight gift from the Canadian people to the valiant Greeks, and the distribution amongst the suffering population is carried out by the International Red Cross. The first of these gift shipments went in August last year and the total to date is 6,558,000 bushels.

Canadian Trade in August

Canadian trade in August totalled \$444,240,556, which was the second largest in the history of Canadian commerce, being exceeded only in July 1943 when it totalled \$457,409,956. The domestic exports in August amounted to \$292,861,098, of which \$111.8 million went to the United Kingdom, \$29.4 million to other Empire Countries and \$91.2 million to the United States. The exports to the United Kingdom were just about double those of a year ago. The bulk of the exports were war munitions and food.

Canadian trade in the first eight months of 1943 totalled \$3,029,435,464 compared with \$2,598,713,553 in the same period of 1942. Canadian trade during these eight months exceeded the total trade in the full year of 1940 by about three quarters of a billion dollars, and was only about \$60 million behind the total trade in the full year 1941.

Exports to the United States during these eight months of 1943 amounted to \$703.9 million, to the United Kingdom \$687.2 million and to other Empire Countries \$233.7 million, leaving \$245.5 million to other countries of our Allies. It should be noted that these exports do not include gold.

The favourable balance of trade in August was \$145,971,168 as compared with \$155,643,568 in July, which was the largest in Canadian trade records. During the first eight months of 1943 the favourable balance amounted to \$750,031,358 as against \$741,234,114 during the whole of 1942, whereas in 1941 the favourable balance of trade was only \$191,682,891. Indeed, ever since October 1941 the balance has been in Canada's favour continually.

It should be mentioned that the balance of trade in Canada's favour may be augmented by the net exports of non-monetary gold. The amount during the first eight months of 1943 was \$94.2 million and during the full year 1942 it was \$184.4 million. Monetary gold figures are not made available.

Duty collected on imports during August aggregated \$16,256,244 and for the eight months of 1943 the aggregated was \$110,053,876 as against \$154,046,069 throughout the whole year of 1942. Imports came mainly from the United States, the total from that country during the first eight months of 1943 being \$933.3 million compared with \$873.5 million in the same period last year. The aggregate imports this year were \$1,139.7 million.

Civil Aviation in June

Revenue passengers carried by civil aircraft during June increased to 28,623 from 22,134 in June last year. The number transported between Canada and the United States increased from 4,502 in June a year ago to 9,131, excluding through passengers between United States airports. The average passenger journey increased from 381 miles in 1942 to 407 miles.

Freight carried declined to 973,351 pounds in June from 1,140,991 last year, and mail increased to 595,070 pounds from 450,795. Total hours flown by all aircraft was 3.7 per cent greater than in June, 1942, but horse power hours flown increased by 32 per cent, indicating the relative mileage flown by larger aircraft.

Production of Iron and Steel in August

Production of pig iron in August amounted to 164,905 net tons, including 134,241 tons of basic iron, 14,621 tons of foundry iron and 16,044 tons of malleable iron. Output in the corresponding month last year totalled 162,578 tons. During the eight months ended August production aggregated 1,184,064 tons compared with 1,308,731 in the similar period last year.

Output of steel ingots and steel castings in August totalled 246,820 net tons, including 234,537 tons of ingots and 12,283 tons of castings. In August last year production amounted to 248,868 tons. Aggregated output for the first eight months of this year was 1,996,481 tons compared with 1,064,666 in the like period of last year.

Production of ferro-alloys in August amounted to 13,429 tons compared with 21,408 in the previous month and 15,961 a year ago. During the eight months of this year output totalled 151,630 tons compared with 140,522 in the corresponding month last year.

Output of Leading Mineral Products

The July output of certain of Canada's leading mineral products was as follows, totals for the corresponding month last year being in brackets: cement, 935,465 (1,245,588) barrels; clay, \$625,903 (\$750,039); coal, 1,365,648 (1,497,196) tons; feldspar, 2,093 (2,038) tons; gold, 292,561 (428,323) fine ounces; gypsum, 35,656 (56,624) tons; lime, 75,516 (72,760) tons; natural gas, 2,293,086,000 (2,227,479,000) cubic feet; petroleum, 347,486 (869,034) barrels; commercial salt, 32,859 (34,040) tons; silver, 1,332,240 (2,060,064) fine ounces.

Indexes of Wholesale Prices

Continued strength in wholesale prices moved the composite index number of 526 items, on the base 1926=100, to 100.4 in August from 100.1 in July and 95.5 in August, 1942. Advances over the previous month for wood, wood products and paper and animal products outweighed a small decline in vegetable products. Due mainly to the removal of subsidies on certain western lumber descriptions, the composite index for wood, wood products and paper stiffened 1.7 points to 109.5.

A gain of 0.4 to 108.0 in animal products reflected higher prices for canned salmon, calves and eggs; these more than counterbalanced lower quotations for dry shore codfish, steers, lambs, certain fresh meats and butter at Regina. A small increase in the ceiling price for bricks was insufficient to move the non-metallic minerals group index from the July level of 100.5. Vegetable products dipped 0.1 to 92.4 between July and August.

A rise of 1.1 points to 98.7 was recorded for the composite index of 30 industrial materials between July and August. This reflected higher prices for wheat, hogs, fir, spruce and rosin, which overbalanced fractional losses for steers and cotton seed oil. Sub-group reflections of these price changes showed foods one point higher at 99.3, the staple series up two points at 119.1, and manufacturing items 0.4 to 82.9.

Advances for field product prices offset weakness in the animal products section to hold the index for Canadian farm products unchanged in August at 96.4. Higher wheat prices more than counterbalanced further seasonal weakness in potatoes, onions and hay and the field products sub-group moved up 0.5 points to 83.1. A drop of 0.8 points to 118.6 for animal products in the same interval reflected lower quotations for livestock; seasonal strength for eggs continued.

Bank Debits in August

The cheques cashed in 33 Canadian centres amounted to \$4,020,000,000 in August as compared with \$3,480,000,000 in the corresponding month last year. The increase was 15.5 per cent, representing expansion in productive and speculative activities at a somewhat higher price level. During the eight months ended August debits aggregated \$33,894,000,000 as compared with \$28,776,000,000 in the like period of 1942, an increase of 17.8 per cent.

Each of the five economic areas recorded advances in August, the Prairie Provinces showing the greatest expansion. Totals follow by areas, figures for August last year being in brackets: Maritime Provinces, \$91,722,853 (\$81,303,639); Quebec, \$1,215,733,801 (\$1,015,130,913); Ontario, \$1,746,667,145 (\$1,668,734,310); Prairie Provinces, \$708,732,404 (\$488,949,527); British Columbia, \$257,410,512 (\$225,626,447).

Department Store Sales in August

Sales of Canadian department stores in August, including the mail order business of these establishments were six per cent lower than in the corresponding month last year but were seven per cent higher than in the preceding month. Unadjusted indexes of sales on the base 1935-39-100, stood at 119.9 for August, 112.5 for July and 126.9 for August, 1942. Sales during the first eight months of this year were 0.5 per cent higher than in the corresponding period last year.

Telegrams and Cables in 1942

An increase of 41 per cent was recorded in the amount of money transferred by telegraph in 1942, the total being \$5,439,880 as compared with \$3,868,040 in 1941. Telegrams sent increased from 12,689,124 to 13,660,987, while the number received from the United States for delivery in Canada also increased from 1,592,446 to 1,761,144. Cablegrams, exclusive of wireless messages to vessels at sea, increased from 2,251,979 to 2,831,549, or by 26 per cent.

Pole line and wire mileage amounted to 52,418 and 381,953 miles, respectively. The number of employees rose from 7,272 in 1941 to 7,544 and the pay roll increased from \$10,042,496 to \$11,424,268. The employees exclude those on a commission basis and the commissions are excluded from the wages; these amounted to \$420,660. Gross revenues increased from \$12,777,920 in 1941 to \$14,826,431, and the net revenues from \$1,889,698 to \$2,901,014.

Stocks of United States Corn in Canada

Stocks of United States corn in Canada on September 23 were sharply lower than on the corresponding date last year, the total being 104,177 bushels as compared with 2,022,783 bushels. The amount of United States rye in store was 23,526 bushels.

Reports Issued During the Week

1. Canadian Grain Statistics - Weekly (10 cents).
 2. Telegraph and Cable Statistics, 1942 (10 cents).
 3. Farm Wages in Canada at August 15, 1943 (10 cents).
 4. Department Store Sales, August (10 cents).
 5. Prices & Price Indexes, August (10 cents).
 6. Bank Debits to Individual Accounts, August (10 cents).
 7. The 1943 Honey Crop (10 cents).
 8. Trade of Canada, January 1940 to August, 1943 (10 cents).
 9. Country General Store Sales, August (10 cents).
 10. The Gypsum Industry, 1942 (25 cents).
 11. Production of Asphalt Roofing, August (10 cents).
 12. Sales of Asphalt Roofing, August (10 cents).
 13. Cost of Living Quiz.
 14. Production of Iron and Steel, August (10 cents).
 15. Civil Aviation, June (10 cents).
 16. Car Loadings on Canadian Railways (10 cents).
 17. Canada's Leading Mineral Products, July (10 cents).
 18. Production of Concentrated Milk, August (10 cents).
 19. Central Electric Stations, August (10 cents).
 20. Monthly Review of the Wheat Situation (10 cents).
-



1010729813