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Dominion-Provincial Conference on  
Provincial Financial Statistics

The Dominion-Provincial Conference on Provincial Financial Statistics opened at the Chateau Laurier, Ottawa, on Monday, October 18, with a full attendance of delegates. The conference, which had been called by the Dominion Bureau of Statistics, was opened by the Hon. James A. MacKinnon, Minister of Trade and Commerce, who noted particularly the presence of the Hon. Solon E. Low, Provincial Treasurer of Alberta, the only other ministerial representative at the gathering.

In his address of welcome to the official delegates and the other representatives of the provinces, Mr. MacKinnon expressed thanks to the responsible provincial ministers for making the presence of the delegates possible because doubtless it must have been a considerable inconvenience to the ministers and personnel of their departments. He said he was glad to see representatives of the Department of Finance and the Bank of Canada whose assistance would be most valuable in giving counsel and expert advice on the best methods of preparing and publishing provincial financial statistics on a comparable basis. He felt sure that by united efforts they would promote that collaboration between the Dominion and the provinces which is of vital importance to the governments and people of Canada.

"Collaboration, which, in the statistical field", said Mr. MacKinnon "is simply the working together of the various Departments of the Dominion Government and the various Departments of the Provincial Governments in co-operation with the Bureau of Statistics, has been the cornerstone on which the whole statistical set-up of Canada has been built up within the past quarter of a century. At the present time the Bureau of Statistics is working in harmonious collaboration with some 70 Dominion and Provincial Government Departments, and this collaboration has been rich in its results. No one who compares the statistics of Canada as they existed in, say, the last war, with those existing in the present, can fail to be deeply impressed by the enormous expansion in the comprehensiveness and the improvement in the quality of our statistics. It is most important that the Provinces, as well as the Dominion, derive the maximum of advantage from the increase in our available statistical information.

"This policy of collaboration in statistics has been pursued in respect of financial statistics as well as in other fields. Realizing the importance of accurate and comparable information regarding the statistics of public finance, the Bureau of Statistics has worked throughout its history with provincial treasury officers and in later years with provincial Departments of Municipal Affairs in order that the Governments and people of Canada may have the best possible information on where the public moneys come from and where they go. This field of the Bureau's work has assumed considerably greater importance in recent years because of the enormous wartime increase in public revenues and public expenditures.

"Specifically, the Bureau, immediately upon its establishment in 1918 set up a Branch on Financial Statistics, which undertook an annual examination of the public accounts of each province, in order that the items of public revenue and public expenditure might be rearranged on a comparable basis, doubtful points being referred to provincial treasury officials for their decisions. Since this method of dealing with the matter was not entirely satisfactory, the Bureau of Statistics held its first conference with officers of the provincial Treasury Department some ten years ago. At that time schedules were approved which were then sent to the various provinces for filling in, and on the basis of those returns comparative reports on provincial public finance were published for each of the provincial fiscal years ended from 1933 to 1937 inclusive. Upon the appointment of the Rowell-Sirois Commission, a more elaborate and more comprehensive survey was undertaken, resulting in the statistics contained in Volume 3 of the Report of the Commission and in numerous subsidiary publications dealing with provincial and municipal statistics for each of the provinces. The Rowell-Sirois Commission, however, conducted only an ad hoc investigation and it now becomes imperative to continue its work into the war years and the post-war period.

"This task has been assigned to the strengthened staff of the Finance Statistics Branch of the Dominion Bureau of Statistics, and already schedules based in general upon the methods of the Commission have been sent to the provinces and filled in with the data for the provincial fiscal years ended nearest December 31st, 1940.



"The study of these returns, however, has revealed certain defects in the system and it is now desired to bring to the attention of the treasury officers of the provinces schedules which we consider a considerable improvement on those filled out in respect of 1940, and to obtain comments and criticisms thereon, so that at the conclusion of this conference there may be agreement upon the methods to be followed and the schedules to be used in the carrying on of this most important investigation.

"It should be recognized in this connection that the Bureau has no wish to impose these schedules in their present form on any province, but only desires to secure your advice and agreement upon the best possible method of presenting, through statistics, all the facts relating to the public finance of the provincial governments. The information so obtained will in due course be consolidated with that obtained under our now system of municipal statistics, established after several conferences with the officials of the provincial Department of Municipal Affairs and accepted by them.

"In all its work the Bureau is acting merely as the compiling and publishing agent in carrying out plans approved at conferences similar to the present.

"In conclusion", said Mr. MacKinnon, "I need hardly stress the extreme importance of these statistics as a source of information to all our Governments in connection with wartime and post-war financial policy. The proportion of the national income that is now being collected and expended by public authorities at different levels of Government is now the highest in the history of Canada. It is important to us all that we should know where all this money comes from and where it goes. It is important to us all that the greatest economy consistent with meeting the needs of the public should be exercised in the administration of public moneys, and this can only be achieved if accurate and dependable information on revenues and expenditures is available to the Governments and to the general tax-paying public on a comparable basis.

"May I conclude by simply expressing my best wishes for the success of this Conference, and by repeating my words of welcome to the official delegates and other representatives of the provinces here assembled".

The conference then appointed S. A. Cudmore, Dominion Statistician, its chairman and as vice-chairman J. H. Bieler of Quebec. The chairman expressed his gratitude for the honor which had been conferred upon him in electing him and expressed confidence that all would assist him in bringing the work of the conference to a successful conclusion. Col. John R. Munro was elected Secretary.

"As you are aware", Mr. Cudmore said "the British North America Act grants to the Dominion Government the legislative authority in respect of the Census and Statistics - an authority which was used in 1918 to establish the Dominion Bureau of Statistics as the central statistical organization for Canada. In section 33 of the Statistics Act of that year it was provided that the Bureau should collect, abstract and annually statistics in relation to public and private finance. In order to discharge these obligations a Finance Statistics Branch was set up within the Bureau's organization.

"So far as public finance is concerned, the Finance Statistics Branch has to deal with Dominion, provincial and municipal finance, the latter division of the subject including the financing of educational authorities. As the result of various conferences with the Provincial Departments of Municipal Affairs, a scheme of uniform municipal statistics for the 4,000 municipalities throughout Canada has now been approved and is in process of being implemented in the various provinces, through full implementation will probably not be completed before the end of the war.

"Again, at a conference with the Provincial Departments of Education in December, 1942, a continuing committee was appointed to draft a set of forms for the financial reporting of educational authorities. The forms prepared by that committee have now been discussed with the Provincial Departments of Education, and it is expected that complete agreement will be reached by the end of the year. In all this work, the Bureau has acted in full co-operation with the constituted authorities of the provinces in the various fields.

"I have thought it expedient to mention these matters, which are not closely related to the present Conference, in order that you may see that we have in mind to present to Canadian Governments and the Canadian public a complete conspectus of public finance by sources of revenue and objects of expenditure.

"Coming now to matters nearer home, I may point out that this is the second Dominion-Provincial Conference on the statistics of Provincial Government Finance. The first was held ten years ago in September, 1933, in order to give effect to a resolution passed at the Conference of Dominion-Provincial Premiers held in January of the same year. The



resolution was as follows:

"That in the opinion of this Conference the necessity for accurate and comparable statistics relating to public finance is apparent, and the Conference recommends that the Dominion Statistician should communicate with the Treasurers and-or statisticians of the several provinces with a view of securing uniformly classified statistical information".

"The first Dominion-Provincial Conference on the statistics of Provincial Public Finance met here on September 11-13, 1933, and after full discussion accepted with modifications the schedules submitted to it by the Bureau of Statistics as the basis of provincial government reporting to the Bureau. These schedules were thereafter filled in by provincial treasury officers in respect of each of the provincial fiscal years ended in each of the years from 1933 to 1937 inclusive, and reports containing this information were duly published. Further, this Conference passed a number of resolutions in this connection which will be found at pages 8 and 9 of the published report of that Conference. These resolutions will be of interest to the members of the present Conference.

"With the appointment of the Dominion-Provincial Relations Commission a new element came into the picture. This Commission found it essential, in order to carry on its work, to initiate a more exhaustive inquiry than had ever previously been made, not only into provincial public finance but into municipal public finance as well, inasmuch as functions which in some provinces are discharged by the provincial authorities are in other provinces imposed upon the municipalities. The result was that the reports of the Dominion-Provincial Relations Commission give the most comprehensive analysis ever yet published of the totality of public revenues and public expenditures in Canada. This investigation, however, was made on an *ad hoc* basis and lapsed when the existence of the Commission came to an end. It is probably fair to say that the previous work of the Bureau had made the work of the Commission's experts easier than it would otherwise have been.

"Upon the ending of the work of the Commission it was agreed that the Finance Statistics Branch of the Dominion Bureau of Statistics should carry forward from year to year the comprehensive investigations of all public finance, including provincial public finance, along the general lines initiated by the Commission, together with any necessary improvements that could be suggested in conference with provincial authorities. The staff of the Finance Statistics Branch was necessarily strengthened in order to enable it to carry on these increased duties.

"Statistics for the provincial fiscal years corresponding as nearly as possible to the calendar year 1940 have been compiled and published by the Bureau on the basis of schedules sent by the Finance Statistics Branch to the various provinces, but it is felt that the system of reporting is not as yet entirely satisfactory. Accordingly it has been decided to hold the present round-table conference, at which it is hoped that all these problems may be ironed out and a system of reporting set up which will fully meet the needs and the wishes of the various provinces.

"As I have already said, the Bureau desires in all its work to proceed in full co-operation and collaboration with those who know most about the many fields with which it has to deal - in this instance, yourselves. We want whatever is finally decided in these matters to have the whole-hearted approval of all interested parties. Further, I might remind you that we are concerned not with financial policies, but with the financial facts which are the results of financial policies. We are the fact-finders of the Government service.

"Finally, I should like to pay tribute to those in the Bureau who have carried on our work in this field, especially to Col. John R. Munro, Chief of our Finance Statistics Branch, who has given more than fifty years of his life to the service of the Government here and overseas, the latter half of that service being in his present position, in which he had been most popular with the provincial Treasury officers and the Provincial Departments of Municipal Affairs. Col. Munro, whose three surviving sons are all overseas, will shortly be retiring from the Government service, and I am sure that you will all join with me in wishing him many happy years of retirement and a joyful reunion with his boys. Besides Col. Munro, I would refer to Mr. J. H. Lowther, Assistant Chief of the Branch, who came to us three years ago from the Ontario Department of Municipal Affairs and is an expert on municipal accounting. Indeed, Mr. Lowther received this year the Louisville Award of the Municipal Finance Officers Association of the United States and Canada for the preparation of our Manual of Instructions on Municipal Accounting, which was considered the most outstanding contribution of the year to the improvement of municipal financial accounting in North America, so that he has an established international reputation which is of good augury for his work in the future. Further, I would mention Mr. L. S. Abell, Statistician in the Branch, who, with his fine analytical mind



has given several years of work here and in the Bank of Canada to problems of provincial public accounting. Last but not least, the Bureau is much indebted to Miss Maude I. MacLean and Miss Bessie I. McFadden for many years of devoted service in the cause of better financial statistics".

The Conference came to a close at noon Thursday, October 21 with the passage of the last resolutions which epitomized the findings of the gathering. It was generally agreed that the question of coordination and comparability of financial statistics had made a sharp advance. This was due mainly to the very evident desire of all the delegates to smooth out the difficulties as these presented themselves and to reach conclusions to which all could subscribe.

So it became a noteworthy gathering and illustrated what the Hon. Selon Low, the Provincial Treasurer of Alberta, said at one of the sessions that if the right men were put together the troubles of the world would cease.

One after another of the delegates, as they talked in groups after the final session, remarked with enthusiasm on the value of the conference and the results obtained and the chairman, S. A. Cudmore, said he was delighted with the cooperative spirit exhibited. Col. John R. Munro remarked, when replying to a vote of thanks for his long and valuable services now drawing to a close, that it was the climax of twenty-five years of labour to accomplish comparable national financial statistics. The conference elected him its honorary permanent secretary. The resolutions embody in succinct form what the conference did.

The first resolution made a clear-cut statement of policy by saying "If the best interests of the various governments and the public of Canada are to be served, the objective should be the complete coordination of the statistics of Canadian public finance as a whole, dominion, provincial and municipal."

Getting down to rock bottom the Conference strongly recommended and urged the adoption of March 31 as the uniform fiscal year end. At present the fiscal years of only the Dominion Government and of the Governments of British Columbia, Alberta, Ontario and Quebec end on March 31. From a statistical point of view as well as from the standpoint of inter-governmental relations it was recognized as important that the fiscal years of all governments and their respective boards, commissions and subsidiary enterprises should end on the same date.

The Conference urged and recommended the various provinces to provide the Dominion Bureau of Statistics with the information it desired on financial statistics as soon as possible after the close of each fiscal year, with the hope that ultimately this period would not exceed six months.

In view of the necessity of comparability and to ensure a better understanding of inter-fund and inter-governmental relationship the Conference recommended that revenues and expenditures on Ordinary Account be reported to the Bureau on a gross basis.

The Conference suggested that the question of obtaining statistics from special districts and other local authorities should be taken up by the Bureau with the respective provinces concerned.

The question of obtaining statistics of salaries and wages and numbers of persons employed by Provincial Governments was referred to the provinces for their further consideration as to the best possible ways and means of procuring information on the subject.

With a view to furthering the objective of the conference it was suggested that the Dominion Bureau of Statistics reconvene the conference at the earliest possible date but not later than some time during the year 1945 following the submission to and consideration by the provinces of the reports and recommendations of the Continuing Committee. This Continuing Committee is: G. D. Iliffe, C.S. Walters, (alternate H. J. Chater), J. H. Bieler, J. E. Howes, A. S. Abell and J. H. Lowther. Their function would be to give further thought and study to the various matters which have been the subject of discussion at the conference and more specifically to study and report on the classification and definition of assets, liabilities, revenues and expenditures; the question of standard practice in the form of budget estimates and other matters which in the minds of the committee may be pertinent to the question of greater clarification and uniformity in reporting provincial financial affairs.

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## Business Expansion in September

Despite the tendency toward tapering off in recent months, the index of the physical volume of business on a preliminary basis recorded a further increase in September. The index based on 66 items rose to a new high point.

Gold receipts at the Mint rose from 255,878 fine ounces in August to 286,771 in the month under review. Recession was shown in the output of the flour milling industry in the latest month for which statistics are available. Sales of livestock on stockyards showed decline in September after seasonal adjustment. The sales of hogs were 66,837 head against 67,344 in the preceding month. The index of cold storage holdings based on 1935-39 rose from 130 in August to 132.7 in September. The index has been relatively steady for the last three months.

The output of the dairy industry was slightly more than maintained after seasonal adjustment. The index of the production of factory cheese rose from 136 to 139 while that of creamery butter was 121.7 against 120.

The consumption of raw cotton by the textile industry was greater than either in July or August, having been 15 million pounds against about 14 million in the preceding month. The decline in newsprint production was less than normal for the season and the movement of planks and boards showed a marked increase. Timber sealed in British Columbia was 242.5 million foot in the latest month for which statistics are available against 296.3 million.

The new business obtained by the construction industry was \$18.6 million against \$23.9 million, the index receding from 83.5 to 71.3.

Bank debits or the amount of cheques cashed in the 33 centres rose from about \$4 billion in August to \$4,485 million in September. The standing in the same month of last year was \$3,516 million, a gain of no less than 27.6 p.c. Bank clearings in September were one quarter <sup>greater</sup> than in the same month of 1942. The acceleration in productive operations at somewhat higher price levels accounted for the marked advance in cheque payments.

### Business Indicators for September compared with August and September 1942

		September 1943	August 1943	September 1942
Physical Volume of Business .....	1935-39=100	* -	241.0	206.1
Cost of Living .....	1935-39=100	119.4	119.2	117.4
Factory Cheese Production .....	pounds	23,404,691	25,541,485	25,332,297
Creamery Butter Production .....	pounds	32,830,481	38,969,774	31,555,780
Newsprint Production .....	tons	251,827	259,612	257,618
Contracts Awarded .....	\$ -	18,570,600	23,865,300	29,675,100
Carloadings .....	No.	303,410	302,048	289,877
Raw Cotton Consumption .....	lb.	15,009,743	13,959,740	15,824,873
Gold receipts at Mint .....	fine oz.	286,771	255,878	382,880
Sales on Stockyards .....				
Cattle .....	No.	80,095	84,170	68,507
Calves .....	No.	33,263	40,777	43,818
Hogs .....	No.	66,837	67,344	73,537
Sheep .....	No.	45,096	43,918	58,341
Bank clearings .....	\$000	2,451,972	2,328,292	1,961,500
Bank debits .....	\$000	4,485,004	4,020,267	3,516,107

\* The index of the physical volume of business according to preliminary calculations showed increase over the preceding month.

### Cheques Cashed in September

Cheques cashed against individual accounts in September totalled \$4,485,000,000 in September, an increase of 27.6 per cent over the corresponding month last year when the total was \$3,516,000,000. The total of cheques cashed during the first nine months of the year was \$38,379,000,000 compared with \$32,292,000,000 in the similar period of last year, an increase of 18.8 per cent.

### Visible Supply of Wheat

Stocks of Canadian wheat in store or in transit in North America at midnight on October 14 totalled 368,625,109 bushels, including 356,850,488 in Canadian positions and 11,774,621 in United States positions. A week ago stocks totalled 373,188,533 bushels and on the corresponding date last year 428,510,664 bushels.

### Marketings of Wheat and Coarse Grains

Farmers in western Canada delivered 3,077,475 bushels of wheat from the farms during the week ending October 14 as compared with 3,993,189 in the previous week. Deliveries included 91,191 and 189,934 bushels of Durum respectively. During the elapsed portion of the crop year - to October 14, deliveries totalled 43,605,583 bushels compared with 59,409,761 in the corresponding period of the previous crop year.

The following quantities of coarse grains were also delivered from the farms during the week ending October 14, figures for the previous week being in brackets: oats, 3,207,381 (3,973,709) bushels; barley, 2,528,276 (3,637,471); rye, 17,758 (26,024); flaxseed, 1,979,718 (2,949,396).

### Seeded Areas in Argentina

The first published official calculations of the probable areas seeded to five of the principal field crops in Argentina have been received by the Dominion Bureau of Statistics from its correspondent in Buenos Aires. These follow, with comparisons with the previous crop year in brackets: wheat, 16,768,206 (16,979,481) acres; linseed, 5,994,646 (6,110,373); oats, 5,082,847 (4,755,709); barley, 1,709,932 (1,420,442); rye, 4,348,960 (4,291,551).

The wheat area is the smallest since the year 1935, that of linseed the smallest since 1923. The oats and rye areas, on the other hand, have established new high records, this being due to a large extent to the prosperous condition of the live stock industry and the necessity of ensuring ample pasturage. It is a common practice in the Republic to plant coarse grains with sufficient liberality to have a reserve of pasturage, and if this is not needed, to fence out the live stock in time to cut the grain for threshing.

### Retail Merchandise Trade in Ontario

Final compilations for the census of merchandising and service establishments show that there were 47,055 retail stores in Ontario in 1941 with sales totalling \$1,407,576,700. The previous census related to 1930 when retail sales amounted to \$1,099,990,200. Dollar sales in 1941 were thus 28 per cent higher than in the earlier period. These stores required the services of 165,842 employees in 1941, including 121,042 engaged on a full-time basis and 44,800 on a part-time basis. In addition there were 44,891 proprietors who devoted the major portion of their time to the management of their retail businesses.

Sales by kind of business in 1941 were as follows, corresponding totals for 1930 being bracketed: country general stores, \$44,274,600 (\$43,913,600); general merchandise, \$206,553,300 (\$184,536,000); automotive, \$267,043,700 (\$166,882,000); apparel, \$125,663,300 (\$93,711,300); building materials, \$70,020,400 (\$61,963,100); furniture, household and radio, \$52,836,100 (\$43,148,000); restaurant, \$54,372,500 (\$28,633,600); other retail stores, \$267,846,300 (\$216,125,300); second hand group, \$4,357,800 (\$5,141,100).

### Financing of Motor Vehicle Sales in September

New and used motor vehicles financed during September totalled 3,359 units with a financed value of \$1,326,361, being 37 per cent lower in number and 24 per cent lower in dollar volume than the 5,350 vehicles financed for \$1,751,084 in the corresponding month last year. There were 83 new vehicles financed in September this year for 93,743.

In the used vehicle field, declines were 36 per cent in number and 22 per cent in amount of financing, the 3,276 vehicles financed for \$1,232,618 comparing with 5,120 transactions involving \$1,569,314 in the same month last year. Percentage decreases in various regions of the country were as follows: Maritime Provinces, 62; Quebec, 48; Ontario, 33; Manitoba and Saskatchewan combined, 26; Alberta, 37; and British Columbia, 38 per cent.



Cumulative results for the first nine months showed 625 new motor vehicles financed this year as compared with 7,143 in the corresponding period of 1942. Used vehicles financed during the January - September period numbered 30,631 units this year and 49,029 units in the similar period of last year.

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#### Railway Revenues and Expenses in July

Gross operating revenues of Canadian railways increased to \$69,727,022 in July, a new high monthly record. Both freight revenues at \$49,410,995 and passenger revenues at \$12,646,859 were high points, the previous records being \$49,052,528 for freight in October 1928 and \$11,029,092 for passenger in August, 1920. Gross operating revenues for the seven months ended July amounted to \$432,628,273 as against \$356,731,904 in the like period of 1942, an increase of \$75,896,369 or 21.3 per cent.

Freight traffic in July at 5,514,783,000 revenue ton miles was 1.7 per cent below June traffic but was 17.2 per cent heavier than in July last year. Passenger traffic was 28.5 per cent heavier than in July last year and 63 per cent heavier than in August 1920. The total pay roll was \$26,816,970 as against \$24,162,507 in 1942, an increase of 11 per cent, for a gain in the number of employees of 5.8 per cent or from 156,145 to 165,124. The peak railway employment was 202,014 for July 1929, when the pay roll was \$26,067,539 and gross revenue, \$47,361,720.

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#### Car Loadings on Canadian Railways

Car loadings for the week ended October 9 amounted to 73,472 cars as against 74,162 in the previous week and 73,952 in the corresponding week last year. In the eastern division loadings decreased from 46,956 cars in 1942 to 45,101, while in the western division the total increased from 26,996 to 28,371 cars.

Loadings of revenue freight during the month of September amounted to 303,000 cars compared with 302,000 in the previous month and 290,000 in the same month last year. The tonnage of revenue freight loaded in September was 8,981,000 compared with 8,721,000 in August and 7,692,000 in September a year ago.

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#### Reports Issued Today

1. Production of Dairy Factories, Canada, 1942 (10 cents).
  2. Anticipated Pelt Production, 1943-44 (10 cents).
  3. Cheques Cashed Against Individual Accounts, September (10 cents).
  4. Canadian Grain Statistics (10 cents).
  5. Operating Revenues, Expenses and Statistics of Railways, July (10 cents).
  6. Financing of Motor Vehicle Sales, September (10 cents).
  7. The Grain Situation in Argentina (10 cents).
  8. Railway Revenue Freight Loadings, September (10 cents).
  9. Car Loadings on Canadian Railways (10 cents).
  10. Retail Merchandise Trade, Ontario, 1941 (25 cents).
  11. Cheques Cashed Against Individual Accounts, September (10 cents).
  12. Canadian Grain Statistics (10 cents).
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