

## WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce

Vol. XI - No. 44

Ottawa, Saturday, October 30, 1943

Price \$1.00 per year

Advance in Industrial Production During September

The index of industrial production based on mineral production, manufacturing, construction and electric power, recorded an advance of about 4 points in September over the preceding month. The standing on the base of 1935-1939 was 280.9 against 276.8 in August. The index reached a new high point in the ninth month of the year marked advances having been recorded since the outbreak of hostilities.

Owing to the marked decline in the movement and distribution of commodities, the index of the physical volume of business which had been 241.0 in August receded to 236.7 in the month under review. The index is based upon five divisions including mineral production, manufacturing, construction, electric power and distribution. The index of mineral production was 322.4 against 337.7. The gain in coal production was less than normal for the season. Gold receipts at the Mint were 286,771 fine ounces against 255,878.

The index of manufacturing rose from 290.8 to 299.2. The standing in September was greater than in any other month, the acceleration having been due to war production. The index of tobacco releases rose from 150.5 to 161.5, increases having been shown in raw leaf, cigars and cigarettes. The meat packing industry was considerably more active than in the preceding month gains having been shown in each of the three main classes of live stock. The dairy industry was slightly more active after seasonal adjustment. The index of activity in the textile industry was nearly maintained at 156. The forestry index was unchanged at 127.2, a minor gain having been shown in the output of newsprint after seasonal adjustment. The output of steel ingots showed a gain after the usual adjustment, but the production of pig iron was at a somewhat lower level. Coke production showed considerable expansion, the index rising from 168.6 to 176.5. Some recession was indicated in the operations of the chemical group.

An index of new business obtained by the construction industry receded from 84.9 to 77.5. Contracts awarded were at a lower position, while building permits showed an increase after the usual adjustment. Electric power output was slightly lower than in the preceding month, the total having been 3,377 million kilowatt-hours against 3,429 million. An index of the number of tons carried on steam railways showed a marked decline to 148.4 in September against 182.8.

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

	1943	
	September	August
Physical Volume of Business .....	236.7	241.0
Industrial Production .....	280.9	276.8
Mineral Production .....	322.4	337.7
Gold Receipts .....	85.6	78.5
Coal Production .....	113.1	143.5
Manufacturing .....	299.2	290.8
Flour Production* .....	148.3	166.6
Rolled Oats Production* .....	68.7	49.6
Inspected Slaughtering .....	165.0	159.5
Cattle .....	113.3	111.9
Sheep .....	78.4	87.1
Hogs .....	209.2	200.0
Creamery Butter .....	121.7	120.0
Factory Cheese .....	139.1	136.3
Tobacco .....	161.5	150.5
Cigar Releases .....	129.8	116.3
Cigarette Releases .....	164.0	153.2
Boots and Shoes Production* .....	119.1	148.1
Textiles .....	156.0	156.5
Cotton Consumption .....	145.9	138.1
Forestry .....	127.2	127.2
Newsprint .....	102.8	100.8

Continued on page 2.

Economic Activity in September compared with the Preceding Month  
1936-1939=100

	1943	
	September	August
Iron and Steel .....	617.3	589.9
Fig Iron Production .....	249.2	260.7
Steel Production .....	267.9	255.0
Construction .....	77.5	84.9
Contracts Awarded .....	70.6	83.5
Building Permits .....	104.8	90.6
Cost of Construction .....	132.7	131.4
Electric Power .....	160.5	163.7
Distribution .....	144.9	166.9
Marketings -		
Grain and Live Stock Marketings .....	53.4	120.5
Grain Marketings - Country Elevators .....	45.3	123.4
Wheat .....	34.7	90.1
Oats .....	363.7	1,068.7
Live Stock Marketings .....	88.7	108.1
Cattle .....	81.6	106.5
Calves .....	72.1	103.5
Hogs .....	126.4	126.3
Sheep .....	74.3	91.2
Cold Storage Holdings, 1st of following month .....	136.3	132.7
Eggs .....	151.8	166.9
Butter .....	116.4	118.9
Cheese .....	126.4	108.3
Beef .....	124.5	126.8
Pork .....	175.3	159.8
Mutton .....	100.5	213.4
Poultry .....	149.3	84.7
Lard .....	99.8	119.5
Veal .....	151.8	162.6

\* Preceding Month

Estimate of National Income in September

The estimate of national income was \$745 million in September against \$732 million in the preceding month. The standing in September last year was \$646 million. The total for the first nine months was \$6,579 million against \$5,515 million in the same period of 1942. The increase in this comparison consequently was 19.3 per cent. The advance in the national income has continued sharply since the outbreak of hostilities. The increasing concentration upon war production was the main influence in the higher levels of the elapsed portion of the present year.

A large amount, contributed to the war effort in the form of taxation and the purchase of bonds and war savings certificates, was diverted from the national income and to that extent prevented competition with wartime industries in the purchase of materials in the open market. It should be observed that even in the face of this large deduction there was still a marked gain in purchasing power in the hands of the public compared with prewar years. The remainder of the national income is more evenly distributed over the entire population.

Operations of the Unemployment Insurance Act

During August, 1,370 applications for benefit payments were registered at the local offices of the Unemployment Insurance Commission across Canada. This compares with 1,855 claims-filed during August last year and 1,772 and 1,087 in June and July 1943, respectively.

The number of applications for employment by insured persons during the period July 2 to July 29 was 163,810, and during the period July 30 to September 2 it was 195,363. On July 29, 43,929 of those applicants were listed as unplaced, while on September 2, 45,918 were unplaced. Many of the employment applications result from registration of persons who remain at work pending a transfer to other employment.

During August, 1,104 persons were paid a total of \$28,393 benefit as compensation for 16,467 days. In July, 1,868 persons received a total of \$45,581 for 25,166 days of



compensated unemployment. These may be compared with the 1,679 persons who were paid \$39,296 for 22,537 days during August, 1942. It follows that during August this year the average duration of the unemployment compensated was 14.9 days as compared with 13.5 in July and 13.4 in August 1942.

The average amount paid per beneficiary was \$25.72 during August and \$24.40 in July, while in August 1942 it was \$23.41. During the same months the average amount paid per compensated day of unemployment was \$1.72 in August against \$1.81 in July and \$1.74 in August, 1942.

---

Canadian Balance of International  
Payments Reaches Record Level

In 1942 total credits on current account with all countries of \$3,384,000,000 exceeded total debits of \$2,275,000,000 by \$1,109,000,000. This balance compares with credit balances on current account of \$491,000,000 in 1941 and \$126,000,000 in 1939. In 1942 as in other years during the war the sharpest increase was in the gross credits. Credits, debits and balance are, of course, at record levels and reflect the great expansion in the Canadian economy with the export of war products to the many theatres of war throughout the world.

The dominant characteristic of the balance of payments between Canada and the Sterling Area, a large excess of Canadian exports and other sources of balance of payments credits over imports and other debits, was even more pronounced in 1942 than in the earlier years of the war. Total British expenditures increased sharply while British current receipts increased only moderately. The net credit on current account in 1942 was \$1,277,000,000 compared with \$805,000,000 in 1941, \$419,000,000 in 1940 and \$176,000,000 in 1939. The expansion in British expenditures was mainly due to much heavier payments for munitions. Payments for raw materials and food continued at very high levels also while expenditures on various war activities, including air training in Canada, increased substantially.

The moderate gain in British receipts was due almost entirely to the higher level of Canadian expenditures abroad in connection with the Canadian armed forces overseas. Total overseas expenditures of the Canadian government were \$191,000,000 in 1942 compared with \$97,000,000 in 1941.

Gross capital receipts by Canada from Empire countries in 1942 were \$884,000,000. The largest element in this figure, however, is \$818,000,000 representing the net decline in 1942 in the Sterling balances which had been accumulated by Canada in the earlier years of the war. The principal part of the decline, \$700,000,000, resulted from the conversion of an equivalent amount of Sterling into a special loan to the Government of the United Kingdom.

Gross capital debits, exclusive of the billion dollar gift and the special purchase of gold, amounted to \$1,129,000,000 in 1942. Of this amount \$59,000,000 represents privately financed capital payments by Canada. Private retirements of securities, purchases of securities, repayments of mortgages and loans, settlements of estates and trusts and insurance company transactions make up most of this \$59,000,000. The remaining amount of \$1,070,000,000 is made up of debits connected with official transactions.

The principal means adopted by the Canadian government of financing the residual needs of the United Kingdom on current and capital accounts was the billion dollar gift to the Government of the United Kingdom. With this contribution of funds the British supply of dollars from other sources was supplemented so that British purchases in Canada would not be limited by a shortage of dollars. Consequently, the British Government was enabled to purchase munitions, raw materials and food, and to make other expenditures necessary for the prosecution of the war.

Net debits from current account transactions between Canada and Non-Empire Countries in 1942 amounted to \$168,000,000 compared with \$314,000,000 in 1941 and \$270,000,000 in 1940. Although this marks a decline from the high level of the current account deficits of 1940 and 1941 it is still large in relation to the net debits of \$50,000,000 in 1939 and the net credits of \$21,000,000 in 1937. In each year from 1937 to 1942 there have been large deficits with the United States which have been partly offset by credit balances from transactions with other foreign countries.



The rapid and continued rise in the value of imports from the United States during the war has been a primary factor in the growth of the debit balance with the United States dollar area. Imports from the United States have been grown from \$472,000,000 in 1939 to \$702,000,000 in 1940, \$910,000,000 in 1941 and \$1,116,000,000 in 1942. Imports on British or other Allied account which are not paid for by Canada, are excluded from these figures.

#### Canada's External Trade in September

The value of Canada's external trade in September, excluding gold, totalled \$384,-639,552 as compared with \$444,240,556 in the previous month and \$333,858,851 in the corresponding month last year. Trade during the first nine months of this year aggregated \$3,414,075,016 compared with \$2,933,572,404 in the corresponding period of 1942. The nine-month total this year exceeded the total for the full year 1941 by about \$325,000,000.

The balance of trade was in Canada's favour to the extent of \$110,097,386 in September. This total is exclusive of the net exports of non-monetary gold which amounted to \$11,800,000. During the nine months ended September the favourable balance was \$860,-128,774, not including net exports of non-monetary gold totalling \$106,000,000. The balance of trade has been in Canada's favour since October 1941.

Domestic exports in September, excluding gold, were valued at \$244,914,478 compared with \$292,861,098 in August and \$206,084,251 in September, 1942. Exports to the United Kingdom totalled \$77,700,000 compared with \$51,500,000 in September last year, to the United States \$94,000,000 compared with \$77,300,000, to other Empire Countries \$23,900,000 compared with \$42,800,000 and to other Foreign Countries \$49,300,000 compared with \$34,500,000.

Imports during September, excluding gold, were valued at \$137,271,083 compared with \$149,134,694 in August and \$126,344,012 in the corresponding month last year. Imports from the United States totalled \$113,500,000 in September compared with \$100,700,000 in the same month last year, from the United Kingdom \$9,900,000 compared with \$13,400,000, from other Foreign Countries, \$5,700,000 compared with \$5,200,000 and from other Empire Countries \$8,200,000 compared with \$7,000,000.

#### World Wheat Situation

The suspension of wheat trading on the Winnipeg Grain Exchange and the rise in wheat prices at Chicago to their highest levels since 1929, were among the major developments in the world wheat situation during the past month. Changes occurred also in the supply and demand position, but on balance these changes favoured the reduction of the existing surplus before the 1944 crops are harvested.

Current supplies of wheat are still abnormally heavy but the demand for wheat in the United States and the vagaries of the weatherman give promise of bringing about substantial improvement in the surplus position by the end of next July. Both Canada and Argentina are finding an important outlet for surplus supplies in the United States, while drought is cutting down harvest prospects in Australia at a time when export demand for Australian wheat and flour is expanding.

A new harvest is approaching in both Australia and Argentina but drought in one country and frost in the other, combined with reduced wheat acreage in both, promises to keep 1943 production of wheat within manageable limits. The Australian crop has been tentatively estimated at 89,000,000 bushels compared with 156,000,000 bushels produced a year ago. The carry-over of old crop may exceed 150,000,000 bushels, but the large flour order recently placed by the Ministry of Food of Great Britain, and the shipments of Australian wheat to India, will cut into this surplus, while greater use of wheat in live-stock feeding at home will take up additional amounts.

Argentina's harvest will not extend to the heavy producing areas until late December or early January, so that it is too early yet to measure the new crop. The old crop surplus on December 31, may be as large as 200,000,000 bushels, but part of this is earmarked for fuel and animal feed. It is noteworthy also, that the expected increase in wheat acreage did not materialize, according to the preliminary estimate of the area seeded to wheat.



It would appear then, that the situation in the four major exporting countries is somewhat brighter, more by reason of expanding domestic demand than through the opening up of export markets. Canada is an exception in that her export clearances to the United Nations, including sizeable quantities to the United States, are likely to be very substantial in the current crop year, while domestic utilization may equal and probably exceed the record total of the past season.

The conquest of Sicily and southern Italy will provide some outlet for North American wheat. These territories do not normally produce sufficient to meet local requirements and much of the 1943 crop was probably lost to the Germans or destroyed in the fighting. The Island of Sicily, for its size, produces a fairly large wheat crop. The pre-war acreage was close to 2,000,000 acres and production around 32,000,000 bushels. Durum wheat for macaroni or bread is the principal variety grown, and about one-third of the agricultural area of the Island is utilized for wheat production.

War developments may be expected to open up other European territories during the current crop year but in the meantime Portugal is still a heavy importer of wheat, principally from Canada. Her own crop was very poor this year and native supplies are calculated to be some 13,000,000 bushels below domestic requirements. Eire is also an importer of moderate amounts, while the gift shipments from Canada to Greece are continuing at the rate of 500,000 bushels monthly.

United Kingdom imports for domestic use are not likely to be any larger than last season, but purchases for shipment to areas in the Mediterranean and against reserve stocks will probably keep Canadian wheat and flour flowing fairly freely across the Atlantic. Russia too, will probably get the bulk of her needs from North America.

Spain's requirements are being met by Argentina, while the occupied countries appear to have fared better in 1943 than in any of the previous war years. The British Ministry of Economic Warfare is credited with the statement that the bread grain harvest in all enemy occupied countries on the continent was larger this year than last and that bread rationing has been increased or the quality of bread improved in a number of these countries.

Turkey appears to have sufficient wheat from the 1943 harvest to meet her needs, while supplies in North Africa including Egypt are more satisfactory than they were a year ago. There is famine in Bengal, however, and British supplies, including wheat or flour from Australia are reported to have been shipped in to alleviate the distress there.

---

#### Visible Supply of Wheat

Stocks of Canadian wheat in store or in transit in North America at midnight on October 21 totalled 363,875,128 bushels, including 352,605,990 bushels in Canadian positions and 11,269,138 in United States positions. On the corresponding date last year stocks totalled 437,517,999 bushels.

---

#### Farmers' Marketings of Wheat and Coarse Grains

Farmers in western Canada delivered 2,952,202 bushels of wheat from the farms during the week ending October 21 as compared with 3,293,058 in the previous week. During the elapsed portion of the crop year - to October 21 - marketings totalled 46,773,368 bushels compared with 72,413,943 in the corresponding period of the previous crop year.

The following quantities of coarse grains were delivered from western farms during the week ending October 21, figures for the previous week being in brackets: oats, 2,192,918 (3,317,857) bushels; barley, 2,106,109 (2,628,311); rye, 20,610 (18,144); flaxseed, 788,590 (2,093,810).

---

#### Canned Foods Produced in 1941

The value of canned foods produced in Canada in 1941 was \$131,526,020, being a sharp increase over the 1940 valuation of \$94,625,613. Imports during the year amounted to \$2,544,127, mostly fruits and vegetables not grown in Canada. Exports totalled \$30,066,830, of which canned fish accounted for \$18,442,424 and concentrated milk products \$7,218,898. Among the canned foods produced in Canada during 1941 were the following, figures for 1940 being in brackets: canned fish, \$31,163,317 (\$21,483,774); fruit and vegetable preparations, \$75,598,310 (\$55,179,652); condensed and evaporated milk, \$21,437,808 (\$16,144,185); canned meats, \$3,326,585 (\$1,818,002).

---



### Production of Concentrated Milk

The manufacture of concentrated milk and by-products in September totalled 25,535,272 pounds, a decrease from the preceding month of 3,003,001 pounds, and a decrease from September last year of 715,722 pounds. The whole milk products accounted for 21,590,196 pounds and the by-products for 3,945,076 pounds. During the nine months ended September the combined output of all items totalled 216,390,331 pounds compared with 213,222,239 in the corresponding period of 1942.

---

### Production of Gold in August

The Canadian production of gold in August amounted to 293,358 fine ounces valued at \$11,294,283. In the previous month the output was 292,740 fine ounces and in August last year, 406,315 fine ounces. During the eight months ended August production totalled 2,559,318 fine ounces as compared with 3,346,754 in the corresponding period of 1942.

Output by producing areas in August was as follows, corresponding totals for 1942 being in brackets: Nova Scotia, 317 (877) fine ounces; Quebec, 71,740 (84,934); Ontario, 168,087 (230,162); Manitoba and Saskatchewan, 22,207 (29,186); British Columbia, 17,798 (38,616); Yukon, 6,747 (13,170); Northwest Territories, 6,458 (9,370).

---

### Loading Mineral Products

The August output of certain of Canada's loading mineral products was as follows, totals for the corresponding month last year being in brackets: cement, 952,500 (1,230,065) barrels; clay products, \$656,050 (\$740,162); coal, 1,426,032 (1,468,448) tons, feldspar, 2,962 (1,996) tons; gold, 293,358 (406,315) fine ounces; gypsum, 49,379 (27,011); lime, 80,643 (74,926) tons; natural gas, 2,312,999 (2,295,309) M cubic feet; commercial salt, 30,428 (23,179) tons; silver, 1,286,973 (1,576,828) fine ounces.

---

### Output of Central Electric Stations in September

Central electric stations produced 3,376,775,000 kilowatt hours during September, a daily average of 112,559,000 kilowatt hours, which was higher than in any previous month except May this year. Production in August totalled 3,436,141,000 kilowatt hours and in September last year, 2,954,285,000 kilowatt hours. During the nine months ended September production aggregated 29,898,835,000 kilowatt hours compared with 27,583,531,000 in the like period of 1942.

Exports to the United States in September amounted to 196,639,000 kilowatt hours compared with 229,803,000 in August and 185,292,000 in September a year ago, while the nine month total was 1,948,588,000 kilowatt hours compared with 1,829,017,000 in the like period of last year. Consumption in Canada of primary power amounted to 2,998,184,000 kilowatt hours in September against 3,021,551,000 in August and 2,674,407,000 a year ago. The total for the nine months ended September was 26,287,277,000 kilowatt hours compared with 23,900,991,000 in the same period last year.

---

### Department Store Sales in September

The dollar value of sales in Canadian Department stores in September, including the mail order business of these establishments, recorded a three per cent increase over sales in the corresponding month last year, the unadjusted index number on the base 1935-1939=100 standing at 159.1 compared with 154.9. A comparison of cumulative totals for the first nine months of this year revealed an increase of one per cent over corresponding sales last year.

---

### Building Permits in September

The total value of building permits issued by municipalities reporting to the Dominion Bureau of Statistics in September was \$6,992,893 as compared with \$7,530,596 in August and \$10,900,174 in the corresponding month last year. During the nine months ended September the value aggregated \$59,638,445 compared with \$81,221,568 in the like period of 1942.

### Leather Industry in 1942

The year 1942 marks the highest record of the volume of output and value of production of the Canadian leather industry. The total value was \$42,206,900, an increase over the previous year of \$8,263,506 or 24 per cent. Ontario, the centre of the industry, accounted for 88 per cent of the total output of all plants, followed by Quebec with 10 per cent.

The principal kinds of leather produced in Canada in 1942 in order of value were as follows: oak tanned sole leather at \$11,943,058; cattle and horse hide upper leather at \$8,435,417; calf skin upper leather at \$4,827,954; and glove leather at \$3,273,115. The value of these four items combined accounted for 67 per cent of the total value of output.

### Wooden Refrigerator Industry

Establishments engaged wholly or principally in the manufacture of household and commercial refrigerators, cold storage counters and ice cream cabinets constructed chiefly of wood reported a gross value of products of \$1,253,529 in 1942 as compared with \$1,163,373 in 1941. Cost of materials totalled \$554,139 compared with \$537,783.

### Car Loadings on Canadian Railways

Car loadings for the week ended October 13 declined to 66,046 cars from 73,472 in the previous week and 69,198 in the corresponding week last year. The "Thanksgiving" holiday on October 11 was the chief factor in the decline from the previous week.

Grain, lumber, pulpwood, pulp and paper, ore and miscellaneous freight were all considerably lighter than in 1942 in the eastern division and the total dropped from 45,491 to 41,656 cars. In the western division grain was heavier by 1,470, and the total increased from 23,707 to 24,390 cars.

### Reports Issued Today

1. Car Loadings on Canadian Railways (10 cents).
2. Statistical Report on the Operation of the Unemployment Insurance Act, August (15 cents).
3. Trade of Canada, September (10 cents).
4. Canadian Grain Statistics - Weekly (10 cents).
5. Monthly Review of the Wheat Situation (10 cents).
6. Production of Asphalt Roofing, September (10 cents).
7. Sales of Asphalt Roofing, September (10 cents).
8. The Wooden Refrigerator Industry, 1942 (10 cents).
9. Gold Production, August (10 cents).
10. Central Electric Stations, September (10 cents).
11. Monthly Traffic Report of Railways, July (10 cents).
12. Canada's Leading Mineral Products, August (10 cents).
13. Canned Food Production, 1941 (15 cents).
14. The Leather Industry, 1942 (25 cents).
15. Building Permits, September (10 cents).
16. Department Store Sales, September (10 cents).
17. Prices and Price Indexes, September (10 cents).
18. The Canadian Balance of International Payments, 1937-1942 (25 cents).
19. Feldspar and Quartz Mining Industry, 1942 (25 cents).
20. Production of Concentrated Milk, September (10 cents).



STATISTICS CANADA LIBRARY  
BIBLIOTHÈQUE STATISTIQUE CANADA



1010729817