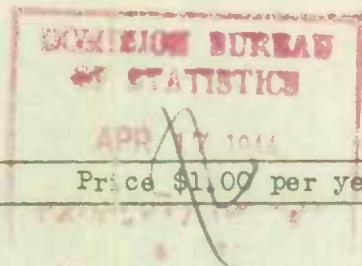


WEEKLY BULLETIN

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Economic Conditions during First Two Months of 1944

The major factors indicating the trend of economic conditions were at a considerably higher level in the first two months of this year than in the same period of 1943. The upward trend of business operations in evidence since the outbreak of hostilities was continued in the last twelve months. The index of the physical volume of business was, consequently, 7.8 per cent higher in the first two months than one year ago. Owing mainly to the continued expansion in war production, the index has reached an extremely high level in relation to preceding years.

A further increase was shown in wholesale prices since the beginning of the year. The gain in the general index over the first two months of 1943 was 5.4 per cent. The average on the base of 1926 was 102.6. Speculative factors including the prices of common stocks and speculative trading on the stock exchanges were at higher levels in the early months of the present year. The common stock index rose from 77.5 to 81.8, a gain of 5.5 per cent. The considerable increase from August 1942 to July of last year has not been offset in any important degree by the subsequent reaction. Dominion bond prices remained steady in recent months, the yield on representative long-term maturities approximating three per cent.

The historical maximum in the index of employment was reached in the latter part of 1943. While reaction was shown in the first two months of the year, the level was somewhat above that of the early period of 1943. Between February 1 of last year and the same period of this year, there was an increase of 1.1 per cent in employment in the eight industries for which statistics are available over a considerable period. The greater advance in payrolls is due in part to the payment of cost of living allowances to the majority of workers.

The amount of cheques cashed in the first two months of the present year was \$8,721 million against \$7,611 million in the first two months of last year. The gains were general in each of the five economic areas, the greatest increase having been shown in the Prairie Provinces. The gains of the first two months of 1944 ranged from 5.5 per cent in Ontario to the marked increase of 51 per cent indicated for the Prairie Provinces.

Owing to the continued expansion in production and business activity during 1943, the general index recorded an appreciable gain in the first two months of the present year. Four of the five main components of the index of the physical volume of business reached a higher level. The index of mineral production and of manufacturing recorded gains of 9.5 per cent and 6.7 per cent, respectively. A decline was shown in the new business obtained by the construction industry. Contracts awarded receded from \$31 million to \$25 million, a decline of 19.3 per cent. A considerable gain, on the other hand, was recorded in building permits.

Estimate of the National Income

The national income according to the monthly tentative computation averaged 3.2 per cent greater in January and February than in the same period of 1943. The standing of the two months was about \$1,432 million compared with \$1,387 million in the same period of 1943. Economic generators are still showing important increases in the current period. The present high levels of capital formation may be appraised by the expansion in the number of workers and payrolls in plants producing durable goods. The index of employment in this sector as measured by the monthly sample rose by 56.4 per cent and that of payrolls by 100.1 per cent from June 1, 1941 to February 1, 1944. The expenditure for war production in the fiscal year just ended was \$3,435 million, an increase of more than \$500 million over the preceding year. An increase of three per cent in war production proper is forecast for the new fiscal year.

The outward movement of commodities was 36.6 per cent greater in the first two months than in the same period of last year. The total value rose from \$348 million to \$475 million. The implements of war are flowing in heavy volume to many battle fronts. Exports in February were \$227 million against nearly \$168 million in the same month of 1943. The balance of commodity trade was favourable to Canada in the period under review to the amount of \$210.5 million against \$106.3 million one year ago. In addition, the net exports of non-monetary gold were valued at \$17.5 million.

The money supply was 22 per cent greater at the beginning of February than on the same date of last year. The total consisting of the deposit liabilities of the chartered banks and the circulating media in the hands of the public rose from \$4,176 million to \$5,108 million. Deposits were \$4,273 million against \$3,494 million while circulating media rose from \$681 million to \$335 million. The gain in bank notes in the hands of the public was more than 23 per cent, the total at the beginning of February having been \$781 million.

Dominion Government expenditure in the first eleven months of the fiscal year just ended were \$4,507 million compared with receipts of \$2,470 million. The expenditures of the same period of the preceding year were \$3,517 million against receipts of \$2,016 million. The difference between the expenditures and the revenues consequently was 35.7 per cent greater in the reported period of the recent fiscal year, the total having been \$2,036.6 million against \$1,501 million.

Storage Stocks of Food Commodities

Storage stocks of pork in Canada on April 1 at 104,246,631 pounds were the heaviest ever recorded in the Dominion, most of which, however, was being held for shipment overseas. On March 1, holdings totalled 98,793,235 pounds and on April 1 last year, 49,906,780 pounds. Lard stocks were also heavy, being 19,281,284 pounds as compared with 15,828,319 pounds a month ago and only 1,929,059 pounds last year.

Beef stocks were reduced to 35,107,245 pounds on April 1 from 40,043,928 pounds a month ago. Last year on April 1 the stocks were only 15,770,593 pounds. Veal in store amounted to 2,355,939 pounds compared with 2,982,198 pounds on March 1 and 1,366,956 on April 1, 1943. Mutton and lamb in storage totalled 6,675,003 pounds compared with 7,740,094 a month ago and 1,761,663 on the corresponding date last year.

Frozen fresh fish totalled 18,416,369 pounds as compared with 21,224,320 on March 1 and 13,363,100 on April 1 of last year. Stocks of frozen smoked fish were 1,363,619 pounds compared with 1,485,889 on March 1 and 889,684 a year ago. The largest individual holdings of fish were sea herring at 3,173,374 pounds, salmon 2,609,245, cod fillets 2,565,331 and cod whole 1,470,895 pounds.

Stocks of apples were 621,611 bushels compared with 1,178,270 on March 1 and 761,013 on April 1, 1943. Frozen fruit in consumer packages amounted to 520,176 pounds, a reduction of 265,000 pounds from last month. Frozen fruit for re-processing totalled 9,940,749 pounds compared with 10,587,688 last month, while fruit in sulphur dioxide and benzoate of soda totalled 17,022,592 pounds compared with 16,762,252 a month ago. The total of all fruit, frozen and in preservatives, was 27,482,517 pounds.

Frozen vegetables totalled 811,641 pounds in consumer packages and 245,797 held for other purposes; there were also 440,000 pounds of vegetables held in brine. Fresh vegetables were reduced from last month. Potatoes totalled 137,603 tons compared with 184,422 last month and 94,703 last year. Onions were still scarce, stocks totalling 838 tons as compared with 6,151 a year ago. Stocks of beets were 263 tons, cabbages 421, carrots 2,792, celery 68 crates and parsnips 245 tons. In addition there were imported stocks of 241 tons of beets, 526 tons of cabbages, 424 tons of carrots and 26,157 crates of celery.

Creamery butter holdings on April 1 were 10,575,817 pounds in store and 805,000 pounds in transit, or a total of 11,380,817 pounds compared with 20,174,600 on March 1 and 9,948,813 pounds a year ago. The five-year average for April was 11,865,000 pounds. No butter was held by or for the Dairy Products Board on April 1. Cheese stocks were reduced from last month, being 20,644,152 pounds as compared with 18,735,358 on April 1, 1943, and 28,303,393 pounds on March 1.

The evaporated whole milk stocks held by or for manufacturers was 5,663,924 pounds, compared with 3,895,400 on March 1 and 6,843,288 on April 1 last year. The chief by-product, skim milk powder, was reduced to 688,903 pounds from 773,494 on March 1 and 1,153,618 a year ago. Shell eggs totalled 6,456,595 dozen, a slight reduction from last month's total of 6,773,475 dozen, but a decided increase over last year's total of 3,105,605 dozen. Frozen eggs were considerably increased over March 1 and also over the stocks of April 1, 1943. On April 1 there were 13,277,401 pounds, 7,046,831 on March 1, and on April 1, 1943, 3,232,421 pounds.

Poultry stocks, while high, were not quite as heavy as last month. Stocks on April 1 this year totalled 20,286,979 pounds compared with 23,264,369 pounds last month and 6,651,959 pounds a year ago. Chickens, fowl and turkeys were the chief kinds, the quantities being much heavier than holdings of last year.

Production of Butter and Cheese in March

Canada's production of creamery butter in March amounted to 14,022,010 pounds compared with 15,577,575 in the corresponding month of last year, a reduction of 10 per cent. During the first quarter of this year production totalled 35,785,551 pounds compared with 40,628,329 in the similar period of 1943, a decrease of 11.9 per cent.

Production of cheddar cheese in March increased to 3,084,539 pounds from 2,756,133 in the same month of last year, an increase of 11.9 per cent. Output during the first three months of this year totalled 7,782,185 pounds compared with 6,439,733 in the same period of last year. Each of the producing areas, except Ontario, recorded increased production in both comparisons.

Visible Supply of Wheat

Stocks of Canadian wheat in store or in transit in North America at midnight on April 6 totalled 331,487,507 bushels as compared with 331,435,284 on March 31 and 455,807,513 on the corresponding date of last year. On April 6 this year, stocks included 319,073,710 bushels in Canadian positions and 12,413,797 bushels in United States positions.

Marketings of Wheat and Coarse Grains

Farmers in the three Prairie Provinces marketed 4,531,433 bushels of wheat during the week ending April 6 as compared with 7,405,071 in the previous month. During the elapsed portion of the crop year which commenced August 1, 1943, marketings totalled 203,314,909 bushels compared with 178,848,504 in the similar period of the previous crop year.

During the week ending April 6 the following quantities of coarse grains were delivered from farms in the Prairie Provinces, totals for the previous week being in brackets: oats, 2,820,621 (3,828,974) bushels; Barley, 1,291,934 (1,567,153); rye, 52,512 (63,017); flaxseed, 21,054 (40,452) bushels.

Indexes of Wholesale Sales in February

Dollar sales of wholesale merchants in February averaged 14 per cent higher than in the corresponding month of last year. The unadjusted index of sales on the base 1935-1939=100 stands at 166.2 compared with 156.0 for January and 146.3 for February, 1943. Each of the economic divisions of the country shared in the 14 per cent increase. Major gains of 21 per cent were reported both in the Maritimes and Prairie Provinces. Sales were 12 per cent higher in Ontario, while gains recorded for Quebec and British Columbia were eight and nine per cent, respectively.

The automotive equipment trade came first from point of view of increased trading, a gain of 41 per cent being reported. Tobacco and confectionery sales were up by 19 per cent, while the fruits and vegetables trade and the groceries trade transacted 16 and 15 per cent more business, respectively. A 13 per cent increase was reported by drug wholesalers and hardware sales averaged 11 per cent higher. The clothing trade recorded a gain of 10 per cent; dollar business transacted by dry goods wholesalers remained unchanged from the value of sales realized in February of last year; footwear sales declined by 12 per cent.

Indexes of Retail Sales in February

Retail sales in February gained five per cent compared with January and were six per cent higher than in February a year ago. The general index of sales, unadjusted for number of business days or for normal seasonal movements and on the base 1935-1939=100, stands at 139.4 for February, 132.6 for January and at 131.0 for February a year ago. On making allowance for difference in number of business days and for normal seasonal movements as recorded in the experience of the ten years preceding the war, the seasonally adjusted index for February stands at 172.5 compared with 166.2 for January and 167.9 for December.

Trends in Food Distribution in February

Dollar volume of sales transacted by 73 of the larger wholesale grocery houses during February averaged 15 per cent higher than the value of sales realized in February last year, and increased by 10 per cent over January. The 15 per cent gain over February

last year reflects an increase in trading activities in each of the economic divisions of the country.

Sales of 949 chain stores units operated by 26 chain companies in the food retailing field averaged 13 per cent higher in February, 1944 than sales of 970 units operated by the same 26 firms in February a year ago. Sales of 877 independent grocery or grocery and meat stores increased in dollar volume by seven per cent in February over the value of business transacted in the same month of last year.

Railway Revenues in January

Canadian railways earned \$59,119,240 in January, which was by far the largest revenue earned in that month, exceeding the January 1943 total by \$8,439,753 or 16.7 per cent. Freight revenue increased from \$37,444,291 to \$44,140,377 or by 17.9 per cent, and passenger revenue from \$7,823,538 to \$9,089,379 or 16.2 per cent. Operating expenses increased to \$47,842,183 from \$41,145,742 in January last year, and the operating income totalled \$7,481,283 compared with \$6,190,326. Total pay roll increased from \$24,755,546 in 1943 to \$26,073,152 or by 5.3 per cent.

Gross earnings of the Canadian lines of the Canadian National Railways increased to \$28,901,300 from \$25,477,300 in January, 1943. Freight revenue increased by 14.2 per cent and passenger revenue by 13.2 per cent. Operating expenses increased by \$2,833,200 or 12.8 per cent and the operating income increased from \$2,579,862 to \$3,511,527. The United States lines showed an increase in gross revenues but a decrease in operating income. System gross revenue amounted to \$33,096,000 as against \$29,278,000 in 1943, and the operating income increased to \$4,033,704 from \$3,383,225.

Gross revenues of the Canadian Pacific Railway Company increased from \$19,041,481 in January last year to \$24,069,383 in January, 1944. This was an increase of 26.4 per cent. Operating expenses increased from \$15,400,460 in 1943 to \$18,796,327 and the operating income increased from \$2,240,655 to \$2,838,513. Freight was heavier than in 1943 by 45.4 per cent and passenger traffic showed an increase of 21.1 per cent.

Production of Leather Footwear in February

Production of leather footwear in Canada during February amounted to 2,984,751 pairs as compared with 2,683,731 in the previous month and 2,817,874 in the corresponding month of last year. During the first two months of the year production totalled 5,688,482 pairs as compared with 5,420,392 in the similar period of the previous year.

Births, Deaths and Marriages in February

Births registered in cities, towns and villages of Canada having a population of 10,000 and over numbered 10,558 in February, deaths 4,951 and marriages 3,488, as compared with 10,481 births, 4,870 deaths and 3,382 marriages in February of last year, showing increases of one per cent in births, two per cent in deaths and a decrease of 10 per cent in marriages.

Retail Merchandise Trade of Canada in 1941

Final compilations for the census of merchandising and service establishments for 1941 reveal that the value of Canada's retail merchandise trade in 1941 was \$3,400,901,700 as compared with \$2,755,569,900 in 1930, an increase of 24.9 per cent. Trade in 1941 was as follows by provinces, totals for 1930 being in brackets: Prince Edward Island, \$15,935,500 (\$13,773,700); Nova Scotia, \$165,033,700 (\$99,519,900); New Brunswick, \$101,843,100 (\$84,371,900); Quebec, \$818,671,100 (\$651,138,500); Ontario, \$1,406,976,700 (\$1,099,990,200); Manitoba, \$210,833,400 (\$189,243,900); Saskatchewan, \$186,885,800 (\$189,181,100); Alberta, \$221,071,400 (\$176,537,100); British Columbia, \$309,572,600 (\$248,597,500); Yukon and Northwest Territories, \$4,078,400 (\$3,216,100).

Reports Issued During the Week.

1. Retail Merchandise Trade, 1941 (50 cents).
2. Economic Conditions, January and February, 1944 (10 cents).
3. Car Loadings on Canadian Railways (10 cents).
4. Stocks of Raw Hides and Skins, February (10 cents).
5. Production of Leather Footwear, February (10 cents).
6. Operating Revenues, Expenses and Statistics of Railways, January (10 cents).
7. Canadian Grain Statistics (10 cents).
8. Registration of Births, Deaths and Marriages, February (10 cents).
9. Monthly review of Dairy Production, March (10 cents).
10. Cold Storage Holdings of Meat and Lard, April 1 (10 cents).
11. Stocks of Fruit and Vegetables, April 1 (10 cents).
12. Stocks of Dairy and Poultry Products, April 1 (10 cents).
13. Cold Storage Holdings of Fish, April 1 (10 cents).
14. Current Trends in Food Distribution, February (10 cents).
15. Indexes of Wholesale Sales, February (10 cents).
16. Indexes of Retail Sales, February (10 cents).



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