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Economic Conditions During Five Months of 1944

Six major factors indicating the trend of economic conditions averaged higher during the first five months of 1944 than in any other similar period. Productive operations and the deposit liabilities of the banks rose to a new high position in history. Wholesale prices were at a higher position than at any time since the 1920's, the index averaging 102.7 in the first five months against 98.3 in the same period of 1943. While common stock prices recorded an advance in recent weeks the average for the first five months was less than one per cent greater than in the same period of 1943. The average of the index on the basis of 1935-1939 was 80.8 against 80.1 in the same period of last year. Dominion bond prices were markedly stable.

The deposit liabilities of the banks rose to a new high point at the beginning of May, the total having been \$4,506,000,000. During May the demand deposits receded from \$1,987,000,000 to \$1,711,000,000, while the notice deposits dropped from \$2,254,000,000 to \$2,094,000,000. The decline in the two classes of deposits was due in large measure to the heavy payments on the 6th Victory Loan. The increase in bank deposits was pronounced from the outbreak of hostilities to the present time.

Productive operations as measured by the index of the physical volume of business recorded an increase of more than five per cent over the same period of 1943. The index averaged 242.2 against 230.7. The index recorded expansion over each of the first five months but the maximum shown in December at 248.8 has not been exceeded. Each of the five main components of the general index recorded advances in this comparison. The gain in the index of mineral production was 5.4 per cent despite the decline in the gold receipts at the Mint and in coal production. The index of manufacturing production was 2.7 per cent greater, the standing in the first five months of 1944 having been 297.2. A considerable gain was recorded in the operations of the meat-packing industry, the increase in hog slaughterings having been 62.6 per cent. The output of factory cheese was at the high level of 35.6 million pounds against 27.1 million. The release of cigarettes and cigars continued at a high level, but a slight recession was shown from the first five months of 1943. The release of cigarettes was 4,592 million while 83.7 million cigars were made available.

The primary iron and steel industry operated at high levels, the output of steel ingots having shown an increase of one per cent, while in pig iron production a gain of 9.4 per cent was recorded. Newsprint production was 1,234,000 tons, a gain of four per cent over the same period of last year. A marked gain was recorded in the new business obtained by the construction industry, contracts awarded in the first five months having been 41.4 per cent greater than in the same period of 1943. The gain in building permits was 73.5 per cent. For the first half of 1944 contracts awarded amounted to \$152,700,000, almost 50 per cent greater than the \$102,000,000 placed during the same period of 1943.

Electric power production was 3,585,000,000 kilowatt hours in May against 3,503,000,000 in the same month last year. Gains were recorded month by month from January to May over the same period of last year. The distribution of commodities through wholesale and retail outlets recorded considerable increase over the same months of 1943. The index of wholesale sales during the first four months averaged 170.6 against 155.8, a gain of 9.5 per cent. The increase in retail sales was about 6.2 per cent, the index averaging 153.4.

Sales of Clay Products in May

Producers' sales of clay products made from domestic clays were valued at \$600,586 in May as compared with \$397,689 in April and \$528,948 in the corresponding month of last year. Sales in May this year included the following: building brick, \$263,375; sewer pipe, \$118,758; structural tile, \$62,119; drain tile, \$38,238; pottery, \$71,187; fireclay blocks and shapes, \$15,178; and other clay products, including floor tile, firebrick, etc., \$31,731.

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Storage Stocks of Food Commodities on July 1

Stocks of creamery butter held in storage and in transit on July 1 totalled 37,512,604 pounds, a decrease of 4,634,056 pounds from last year's corresponding holdings of 42,146,660 pounds. Stocks on July 1 were more than double the June 1 total of 17,538,759 pounds, and were 2,693,000 pounds more than the average holdings on July 1 during the five years 1939-1943.

Stocks of Canadian factory cheese on July 1 were 51,693,631 pounds as against 44,197,910 on July 1 last year and 34,016,485 on June 1. Imported stocks were 20,602 pounds compared with 63,032 a year ago. In transit stocks were not obtained until this year and on July 1 they were 418,000 pounds.

Shell eggs in storage on July 1 amounted to 20,122,442 dozen, including 8,000,000 dozen held in warehouses not usually used for this purpose. This was done as storage space has become limited. Frozen eggs totalled 36,586,510 pounds. Dressed poultry stocks amounted to 10,231,110 pounds as compared with 11,713,788 on June 1 and 1,829,746 a year ago.

Stocks of meat on July 1 aggregated 104,289,885 pounds as compared with 70,268,130 pounds a year ago. Stocks of Canadian pork amounted to 75,207,106 pounds compared with 86,815,216 on June 1 and 49,956,124 on July 1, 1943. Canadian beef holdings totalled 20,121,308 pounds compared with 25,190,082 on June 1 and 14,269,021 on July 1, 1943.

There was little change in the quantity of veal on hand, there being 5,932,536 pounds as compared with 5,648,977 on June 1 and 5,088,590 a year ago. Stocks of mutton and lamb were reduced by over one million pounds from the June 1 figure but were almost five times heavier than last year. The respective stocks were: 2,783,164 pounds, 3,810,424 pounds and 595,162 pounds.

Stocks of frozen fish on July 1 totalled 26,819,847 pounds, being four million greater than on July 1 last year. Cod holdings were 7,958,809 pounds, sea herring 3,054,175 pounds and halibut 3,982,472 pounds, all of which were frozen fresh.

Holdings of fresh fruits and vegetables of Canadian origin were low and were reported as at distributing centres only. Potatoes at these points totalled 5,056 tons as compared with 41,749 tons on June 1 and 3,780 a year ago.

Total frozen fruit in consumer packages amounted to 404,530 pounds compared with 390,199 on June 1. Frozen fruit held for other purposes totalled 7,628,281 pounds compared with 8,211,289 a month ago. Fruit in sulphur dioxide or in benzoate of soda totalled 15,120,111 pounds, an increase of 2,500,000 over last month.

Stocks of vegetables were as follows: 470,885 pounds frozen in consumer packages, 360,101 pounds frozen for other purposes and 95,198 pounds held in brine.

Crop Conditions in the Prairie Provinces

Apart from hail damage which occurred at a number of points in all three Prairie Provinces during the past week, there was general improvement in the outlook for grain crops. Good showers fell in the dry areas of southern Alberta and while that section of the country as well as south-western Saskatchewan will need a lot more rain, some improvement has taken place in the areas which have been plagued with drought most of the season.

A period of rainless weather with bright sunshine would appear to be the general need of crops over the greater part of the western grain belt, although compared with a year ago the development of wheat and coarse grain crops is more advanced. Most of the cereal crops are fully headed in Manitoba and early sown grain is in blossom, while in Saskatchewan the early-sown crops are headed or heading out. Wheat is fully headed in southern Alberta and 15 to 60 per cent headed in other parts of the province.

Infestation of sawfly is again severe in some areas of southern Alberta and southern Saskatchewan, while a flight over south-western Manitoba early in July is expected to be a source of damage to crops there. Other damage, apart from flooding and hail, is light on the whole.

Haying operations are being delayed by frequent rains while the wet condition of fields is making difficult the working of summerfallows. Weed growth is heavy in many parts of the country and is reducing crop prospects. Gardens are in good shape in most areas and pastures are excellent except where rainfall has been deficient. The condition of live stock is good on the whole.

Condition of Field Crops at June 30

The numerical condition of field crops in Canada at the end of June expressed as a percentage of the long-term average yield per acre, was equal to or higher than the condition at June 30, 1943 for all field crops except spring wheat, hay and clover. In most cases the improvement over last year is very marked, and this is particularly true in the case of grain crops in Ontario.

Spring wheat condition figures for the Prairie Provinces, based on an analysis of weather factors, are slightly under those of the corresponding date a year ago. Little change is noted in the case of Saskatchewan, but Alberta's condition figure is four per cent lower, and Manitoba's nine per cent lower than on the same date in 1943.

Feed grain crops give much better promise than a year ago in every province, while the outlook for peas and beans is good not only in Quebec and Ontario, but in the three Prairie Provinces where a considerable acreage is being devoted to the production of field peas this year. Potatoes show promise in the Maritimes and elsewhere, but some loss has occurred in the Winnipeg area of Manitoba as the result of flood conditions.

Hay and clover crops suffered from the very dry spring and while some recovery took place when the rains came, the moisture arrived too late to be of value to the hay crop in many parts of the country. Pastures suffered likewise from the early dryness but these have shown good recovery except in the areas affected by drought. The alfalfa crop is good in the west but less promising in eastern Canada.

The flaxseed crop, on a reduced acreage compared with 1943, showed a condition at the end of June this year equal to that of June 30, 1943, while corn for grain which is expected to show an expansion in acreage this year, was much more promising at the end of June this year than at the same date in 1943.

Sugar beets in Alberta show a much higher condition figure than a year ago, but in Manitoba the crop outlook is only slightly above that of June 30, 1943. No condition figure is available for the new acreage in Quebec but the crop is reported to be progressing favourably.

Field work got off to an early start in most parts of the country this year as the result of a relatively light snowfall last winter and dry weather during the first part of the spring. This was in marked contrast to the situation in 1943 when, because of a cold and wet spring, seeding operations were seriously delayed and in many instances the areas intended for field crops were not fully planted.

Visible Supply of Canadian Wheat

Stocks of Canadian wheat in store or in transit in North America at midnight on July 6 totalled 280,835,943 bushels as compared with 401,154,307 on the corresponding date of last year, a reduction of 120,318,364 bushels. This year's stocks included 263,711,188 bushels in Canadian positions and 17,124,755 in United States positions.

Marketings of Wheat and Coarse Grains

Farmers in the three Prairie Provinces marketed 7,645,669 bushels of wheat during the week ending July 6 as compared with 9,198,090 in the previous week. During the elapsed portion of the crop year which commenced August 1, 1943, deliveries from the farms totalled 282,149,067 bushels as compared with 246,113,265 in the corresponding period of the previous crop year.

The following quantities of coarse grains were delivered from farms in the Prairie Provinces during the week ending July 6, totals for the previous week being in brackets: oats, 2,689,446 (2,805,813) bushels; barley, 888,079 (941,698); rye, 20,536 (22,251); flaxseed, 26,989 (25,975).

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Revised Estimate of the 1943 Honey Crop

Canada's honey crop in 1943 amounted to 39,492,100 pounds, an increase of 11,443,400 pounds or 40.8 per cent over the 1942 production of 28,048,700 pounds, according to revised figures. The increase was due to a record number of colonies in 1943 combined with a higher average yield, which in spite of adverse weather conditions, was 33 pounds per colony as compared with 66 pounds in 1942. The 1943 production of beeswax was estimated at 592,400 pounds compared with 420,700 in 1942.

The 1943 crop sold at prices generally higher than were paid to producers in 1942, the average for all Canada being 15.4 cents per pound as compared with 13.7 cents in the previous year. The gross value of the 1943 crop of honey and beeswax was estimated at \$6,371,200, an increase of \$2,342,200 or 58.1 per cent over the 1942 valuation of \$4,029,000.

Prospects at the present time are reasonably satisfactory for the current honey crop. Winter-killing on the whole was not serious and losses have been made up by replacements of package bees and a further expansion in the numbers of beekeepers and colonies. Indications are that the numbers of colonies have been increased by about seven per cent. Weather conditions to date have been generally satisfactory and an average or better-than-average crop can be expected.

Production of Butter and Cheese in June

Production of creamery butter in Canada in June amounted to 45,541,104 pounds as compared with 46,550,623 in the corresponding month of last year, a reduction of 2.2 per cent. During the first six months of this year the output aggregated 135,193,324 pounds compared with 142,395,447 in the first half of last year, a decline of 5.1 per cent.

June cheddar cheese production was increased to 30,884,616 pounds from 26,961,619 in June of last year, or by 14.6 per cent, all provinces with the exception of Ontario contributing to the increase. Production during the first half of 1944 totalled 66,505,766 pounds compared with 54,040,536 in the similar period of 1943, an increase of 23.1 per cent.

Production of ice cream in June amounted to 2,435,308 gallons compared with 2,361,144 in June, 1943, while the output for the first six months of this year totalled 8,455,481 gallons compared with 7,889,097 in the same period of 1943.

The production of concentrated milk products in June was recorded at 37,475,096 pounds compared with 35,723,163 in the corresponding month of last year, an increase of 4.9 per cent. Output during the first six months of this year amounted to 137,601,225 pounds compared with 130,982,462 in the like period of last year, a gain of 5.1 per cent.

Stocks of Raw Hides and Skins

Stocks of raw cattle hides held by tanners, packers and dealers at the end of May amounted to 432,551 as compared with 466,782 on the corresponding date of last year. Stocks of other types were as follows, figures for May, 1943, being in brackets: calf and kip skins, 461,627 (648,824); goat and kid skins, 137,018 (24,422); horse hides, 28,297 (44,128); sheep and lamb skins, 71,611 dozen (92,490 dozen).

Indexes of Wholesale Sales in May

The dollar value of wholesale sales transacted in Canada in May increased 19 per cent over the level of trading in the corresponding month of last year. The May increase was considerably greater than those recorded in the first four months of the year, and may be attributed, in part, to the low level of trading witnessed in May of last year. The general unadjusted index of sales on the base, 1935-1939=100, stands at 193.9 for May, 171.2 for April and 163.6 for May, 1943. Cumulative sales during the five months ended May averaged 11 per cent above the corresponding period a year ago.

Wholesale Trading in 1943

The general level of wholesale trading as measured by the composite index number for the nine lines of business for which statistics are available averaged 7.7 per cent higher in 1943 than in 1942 and was 18.5 per cent higher than in 1941. The average annual index for 1943 stood at 168.2, indicating that the dollar volume of business transacted was 68.2 per cent above the average for the five years from 1935 to 1939, inclusive, this period forming the base on which the index numbers are computed.

Only a minor part of the overall increase in wholesale trading between 1942 and 1943 can be attributed to price increases, the wholesale price index for consumers' goods advancing by only 1.6 per cent during this interval. The same wholesale price index for 1943 was 6.6 per cent higher than in 1941 and 27.4 per cent higher than the average for the five-year period between 1935 and 1939.

Railway Revenues in April

Railway revenues in April amounted to \$63,535,808 as compared with \$65,338,054 in the corresponding month of last year, a decrease of \$1,802,246. Freight revenues declined to \$46,230,151 from \$48,787,814 in April of last year, while passenger revenues increased to \$10,378,867 from \$10,012,742. During the four months ended April, operating revenues increased to \$249,408,614 from \$231,853,489 in the similar period of last year, but the operating income declined to \$38,372,549 from \$39,159,685.

Car Loadings on Canadian Railways

Car loadings on Canadian railways during the week ended July 1 declined to 63,539 cars from 72,677 cars in the previous week, the holiday on July 1 being the main factor in the decrease. Compared with loadings in the corresponding week last year of 62,509 cars, the increase was 940 cars. Loadings in the eastern division declined from 41,923 cars last year to 39,696, but in the western division increased from 20,676 cars to 23,843, due mainly to an increase in grain from 4,770 to 7,384 cars and in merchandise from 3,557 to 4,082 cars.

Reports Issued During the Week

1. Population of Manitoba by Age, Sex, Conjugal Condition, Etc., 1941 (10 cents).
 2. Monthly Indexes of Wholesale Sales, May (10 cents).
 3. Car Loadings on Canadian Railways (10 cents).
 4. Condition of Field Crops, June 30 (10 cents).
 5. Canadian Grain Statistics (10 cents).
 6. Monthly Report on Clay Products Made from Canadian Clays, May (10 cents).
 7. Operating Revenues, Expenses & Statistics of Railways, April (10 cents).
 8. Economic Conditions in Canada during Five Months of 1944 (10 cents).
 9. The Machinery Industry, 1942 (25 cents).
 10. Monthly Review of the Dairy Situation, June (10 cents).
 11. Summary of Monthly Indexes of Wholesale Sales, 1935-1943 (25 cents).
 12. Honey Crop Report, 1943 (10 cents).
 13. Stocks of Raw Hides and Skins, May (10 cents).
 14. Cold Storage Holdings of Meat and Lard, July 1 (10 cents).
 15. Stocks of Fruit and Vegetables, July 1 (10 cents).
 16. Stocks of Dairy and Poultry Products, July 1 (10 cents).
 17. Cold Storage Holdings of Fish, July 1 (10 cents).
 18. Telegraphic Crop Report, Prairie Provinces (10 cents).
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