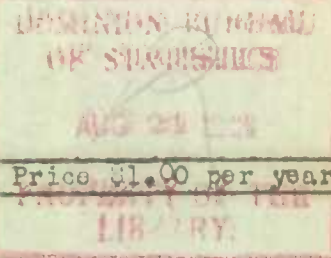


# WEEKLY BULLETIN

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## Economic Conditions During First Half of 1944

Productive operations were at an historical maximum in the first half of 1944, the index of the physical volume of business showing an increase of more than five per cent over the same period of last year. The deposit liabilities of the banks rose to a new high point. The four principal classes of bank deposits averaged \$4,433,000,000 in the first half of the year against \$3,796,000,000 in the same period of 1943, an increase of 17 per cent. An index of wholesale prices on the base 1926 averaged 102.7 against 98.4 in the same period of last year, an increase of 4.4 per cent.

Speculative factors, including common stock prices and trading on the stock exchanges recorded increases in recent months. The index of common stock prices, however, averaged only slightly greater than during the first six months of 1943. The index on the five year pre-war base was 81.3 during the first half of this year against 81.1. Speculative trading has recently recorded an increase, the interest of speculators having been stimulated by the advance in stock prices.

Despite the tapering off in recent months, the volume of production averaged greater in the first six months than in the same period of last year. Each of the five components of the index of the physical volume of business recorded increases over the first half of 1943. The index of mineral production rose more than 3 per cent to 246.6. The gold mining industry was less active having been affected by the shortage of manpower. Gold receipts at the Mint were 1,515,000 fine ounces against 1,918,000. Coal production receded from 8,795,000 tons to 8,395,000 tons.

Manufacturing production was greater in the first half of the present year, the index rising from 289 to 298, an increase of 3.3 per cent. The meat packing industry recorded marked acceleration, the slaughtering of cattle and hogs reaching a much higher level. The output of factory cheese rose from 54,000,000 pounds to 66,500,000, while a recession of 5 per cent was recorded in creamery butter production. The release of cigars and cigarettes was nearly maintained in the first half of this year. The cigarettes released amounted to 5,527,000,000 compared with 5,541,000,000. The output of leather boots and shoes rose 4 per cent in the first five months over the same period of the preceding year. Newsprint production at 1,480,000 tons recorded an increase of 2.5 per cent.

The primary iron and steel industry was particularly active for the first half of the present year. The output of steel ingots was 1,513,000 tons, while the pig iron production rose from 867,800 tons to 949,500 tons, an increase of 9.4 per cent. Coke production in the first six months was 31.9 per cent greater at 2,041,000 tons.

The distribution of commodities through wholesale and retail outlets showed further expansion in the first half of the present year. The index of wholesale sales at 175.2 recorded an increase of 11.3 per cent. The index of retail sales in the same comparison rose about 10 points to 158.1. A marked expansion was recorded in the export trade, the total in the first six months of the present year having been \$1,769,000,000, an increase of 38.4 per cent. The increase in imports was of lesser proportions, the total having been \$864,500,000, an increase of 2.9 per cent. A marked increase was consequently shown in the active balance of trade which exclusive of gold amounted to \$904,000,000. The net export of non-monetary gold was \$60,000,000 against \$74,700,000 in the first six months of last year.

The expansion in railway traffic in evidence since the outbreak of hostilities was continued during the first six months of the present year. The ton miles on the two principal railways during the first five months were 24,144,000,000 against 21,417,000,000, an increase of 12.7 per cent. Carloadings rose 9.7 per cent to 1,791,000 cars. The net earnings of the two chief railways were \$63,683,000 against \$66,138,000, recording a decline of \$2,475,000 or 3.9 per cent.

The index of employment was slightly more than maintained in the first half of the present year, the index on the base of 1926 having been 181.7. Considerable increase was shown in logging, while the advance in manufacturing employment was 1.1 per cent. The index of employment in trade rose from 152.9 to 161.6.



## Survey of Production in 1942

The total net value of output of the nine main productive industries in Canada in 1942, after deduction of the cost of materials, rose to \$6,258,000,000 from \$4,720,000,000 in 1941, an increase of \$1,500,000,000, or 33 per cent. Production in 1942 was greater than in any previous year. Evidence points to a marked increase in commodity production in 1943 over 1942.

Each province of the Dominion participated in the advance of net production in 1942 over 1941. The Prairie Provinces showed the greatest relative advance, commodity production in Saskatchewan having increased more than 116 per cent. Prince Edward Island, Alberta and Manitoba followed with increases of 62 per cent, 59 per cent and 44 per cent respectively.

With regard to the relative importance of the provinces as commodity producers, Ontario held first place among the nine provinces in the creation of new wealth, producing 40.4 per cent of the Dominion total. Quebec followed with 26.6 per cent. British Columbia and Saskatchewan were in third and fourth places, respectively, the contribution in each case being about eight per cent. Alberta and Manitoba were in fifth and sixth places, respectively, Nova Scotia, New Brunswick and Prince Edward Island following in the order named.

With marked increases being recorded by the basic industries of agriculture, electric power and mining, the net value of primary production showed an outstanding increase of 38 per cent in 1942 over the preceding year. The total primary output stood at \$2,924,000,000, or \$803,000,000 above the figure recorded for 1941.

The three groups engaged in secondary production achieved expansion in 1942 over 1941. The aggregate net production of manufactures, construction, and custom and repair rose about one-quarter. The total was \$3,760,000,000 compared with \$3,010,000,000 in 1941. After eliminating the production of the processing industries, the net output of manufacturing was 46.1 per cent of the total commodity production, the relative importance in 1941 having been 46.5 per cent.

Agriculture, the leading industry in the primary group, rose by \$741,000,000, an increase of 78 per cent. Manufacturing industries in the secondary group recorded the next greatest advance of \$705,000,000 or 27 per cent. The output of the forestry group rose 1.8 per cent to \$429,000,000. Production in the fisheries group increased \$13,000,000 to \$65,000,000, an advance of 25 per cent. Trapping receipts mounted by nearly \$9,000,000, an increase of 57 per cent.

Mining was next in importance to agriculture among the primary industries, producing 13 per cent of the aggregate. The increase in 1942, despite minor changes in prices, was three per cent. The total, which had been \$498,000,000 in 1941, rose to \$514,000,000. Due in part to the marked development of the last quarter century and to the war demand of the year, the production of the mining industry reached an historical maximum in 1942.

The output of the electric power industry was fourth in importance among the primary industries reaching a new high point in history. The net value was \$200,000,000 in 1942, an increase of nine per cent over the preceding year. The value of output in the construction industry increased by 15 per cent to \$311,000,000 as compared with \$270,000,000 in 1941. Custom and repair stood at nearly \$140,000,000, posting an advance of \$4,000,000 over the total of \$135,000,000 recorded in 1941.

## Production of Canada's Leading Minerals

The production of Canada's leading minerals during the first six months of 1944 was as follows, totals for the corresponding period of 1943 being in brackets: asbestos, 208,335 (234,689) tons; cement, 2,778,312 (3,000,361) barrels; clay products, \$2,721,378 (\$2,738,040); coal, 8,386,692 (8,897,151) tons; copper, 286,719,761 (297,416,474) pounds; feldspar, 11,761 (11,012) tons; gold, 1,522,797 (1,972,700) fine ounces; gypsum, 256,215 (180,886) tons; lead, 152,234,710 (239,637,846) pounds; lime, 447,129 (461,025) tons; natural gas, 26,412,289,000 (24,274,508,000) cubic feet; nickel, 138,773,912 (150,442,741) pounds; petroleum, 5,035,837 (5,037,870) barrels; commercial salt, 161,394 (157,711) pounds; silver 7,265,326 (9,515,059) fine ounces; zinc, 267,059,405 (312,091,853) pounds.



### Silver Production in June

Silver production in Canada in June amounted to 1,160,245 ounces compared with 1,029,674 in May and 1,379,834 in the corresponding month of last year. Output during the first six months of 1944 totalled 7,265,326 ounces, a reduction of 23.6 per cent from last year's corresponding total of 9,515,059 ounces.

### Lead Output in June

Canada's production of lead was reduced in June, the total being 19,744,120 pounds compared with 20,491,362 in the preceding month and 39,306,495 in the corresponding month of last year. During the first six months of the present year, production aggregated 152,234,710 pounds compared with 239,637,846 in the like period of 1943.

### Production of Zinc in June

Production of zinc in Canada in June amounted to 39,759,143 pounds compared with 45,646,454 in May and 53,266,795 in June of last year. Output during the first six months of 1944 totalled 267,059,405 pounds compared with 312,091,853 in the comparable period of 1943, a decline of 14.4 per cent.

### Production of Gold in June

The production of gold in Canada in June totalled 239,916 fine ounces compared with 256,837 in the previous month and 326,839 in the corresponding month of last year. The value of this year's June output was \$9,236,766. During the first six months of the current year, 1,522,797 fine ounces of gold were produced compared with 1,972,700 in the similar period of last year.

Gold production in June was as follows by areas, totals for June of last year being in brackets: Nova Scotia, 438 (405) fine ounces; Quebec, 60,164 (77,131); Ontario, 140,297 (190,909); Manitoba and Saskatchewan, 17,355 (23,097); British Columbia, 17,106 (21,930); Yukon, 2,825 (6,461); Northwest Territories, 1,731 (6,856).

### Production of Coal and Coke in June

The production of coal in Canada in June amounted to 1,234,191 tons, a decline of 10 per cent from the June 1943 output of 1,365,796 tons. Output during the first six months of this year totalled 8,386,692 tons compared with 8,897,151 in the corresponding period of last year.

Coke production in June was recorded at 328,000 tons as compared with 343,000 in the preceding month and 266,000 in the corresponding month of 1943. During the first half of this year the output totalled 2,041,000 tons as compared with 1,570,000 in the similar period of 1943.

Imports of coal in June amounted to 3,157,313 tons compared with 3,120,415 in June of last year, while the total for the first half of this year was 11,534,806 tons compared with 9,947,928 a year ago. Coal exports in June totalled 90,286 tons compared with 103,882 in June of last year, the total for the six months ending June standing at 522,736 tons compared with 477,752.

The number of employees in the coal mines of Canada during May totalled 24,363 compared with 22,954 in May, 1943.

### Canada's Merchandise Export Trade in July

Canada's merchandise export trade in July was valued at \$278,713,000. Although it did not equal the outward flow of commodities during the past few months, it was greater than in most months of 1943 at which time the trend toward the present high level of exports became apparent. The total for the seven months of the current year aggregated \$2,024,980,000 compared with \$1,581,408,000 in the similar period of 1943, an increase of 28 per cent.

Commodity exports to the United Kingdom in July were valued at \$104,906,000 compared with \$124,446,000 in July, 1943, while the total for the seven months of this year was \$757,668,000 compared with \$574,334,000 in the like period of 1943. Exports



to the United States in July amounted to \$98,790,000 compared with \$90,841,000 a year ago, the total for the seven months of the current year standing at \$736,554,000 compared with \$612,665,000 a year ago.

Shipments to British India in July were valued at \$19,091,000 compared with \$10,976,000 in July, 1943, increasing the seven-month total to \$89,997,000 from \$78,469,000 in the same period of 1943. Consignments to Russia in July were valued at \$10,429,000 compared with \$16,691,000 in July of last year, and in the seven months ended July \$57,833,000 compared with \$27,098,000. July exports to Egypt amounted to \$9,047,000 and in the seven months \$80,290,000.

Exports to other leading countries in July were as follows, totals for July 1943 being in brackets: Australia, \$7,376,000 (\$5,617,000); Newfoundland, \$4,077,000 (\$3,298,000); Italy, \$4,052,000 (nil); French Possessions, \$3,180,000 (\$5,217,000); British South Africa, \$2,648,000 (\$1,362,000); Jamaica, \$2,162,000 (\$1,034,000); Eire, \$1,529,000 (\$712,000); British East Africa, \$1,145,000 (\$485,000); Trinidad and Tobago, \$1,440,000 (\$1,138,000).

The following were amongst the leading commodities exported in July, values for July of last year being in brackets: wheat, \$32,235,000 (\$17,829,000); wheat flour, \$6,701,000 (\$6,251,000); fishery products, \$7,012,000 (\$5,480,000); furs, \$2,094,000 (\$1,859,000); meats, \$16,496,000 (\$16,002,000); eggs, \$2,027,000 (\$1,922,000); wool, \$1,342,000 (\$356,000); planks and boards, \$7,831,000 (\$5,903,000); newsprint paper, \$13,862,000 (\$13,454,000); farm implements, \$1,449,000 (\$1,310,000); chemicals, \$7,199,000 (\$7,684,000); fertilizers, \$1,216,000 (\$696,000); wood pulp, \$7,891,000 (\$9,627,000).

#### Stocks of Canadian Wheat in Store

Stocks of Canadian wheat in store or in transit in North America at midnight on August 10 totalled 296,540,535 bushels as compared with 297,931,963 on August 3 and 393,354,760 on the corresponding date of last year. Stocks on the latest date included 277,027,493 bushels in Canadian positions and 19,513,042 in United States positions.

#### Carry-Over Stocks of Canadian Grain

Canada's wheat carry-over on July 31 this year amounted to 355,176,183 bushels compared with the record total of 594,626,000 at the end of July, 1943. This represents a reduction of approximately 40 per cent and brings the carry-over of wheat down to its lowest level since 1940 when the total was just over 300,000,000 bushels.

Sharp reductions have occurred also in the carry-over of oats, barley and rye compared with stocks held at the same date of last year, but the flaxseed position shows little change. Stocks of oats amounted to 108,543,320 bushels compared with 149,340,515; barley 45,873,970 bushels compared with 69,278,502; rye 5,576,061 bushels compared with 15,267,755 and flaxseed 3,649,125 bushels compared with 3,740,121.

Farm holdings of all grains are substantially lower with the exception of flaxseed. The greatest reduction is noted in wheat where farm stocks dropped to about 54,000,000 bushels compared with 190,000,000 at the end of July, 1943. Feed grain stocks are notably lower but in the case of the Prairie Provinces, the farm stocks of oats and barley at the end of July this year are well above average.

#### Feed Situation in Canada

The general promise of feed grain crops in Canada at the end of July assures supplies sufficient to meet all domestic requirements and provide for some export shipments during the crop year 1944-45. A feature of the 1944 outlook is the much more favourable crop prospects in Ontario and parts of Quebec. This will make these two provinces much less dependent on feed grain supplies from the Prairie Provinces in the twelve months that lie ahead.

Reserve stocks built up from the big 1942 harvest have largely disappeared as the result of heavy feeding at home during the past two years and liberal exports of oats, barley, and wheat to the United States, but the elements have again been kind to Canadian farmers and the very unpromising start of the 1944 season has given way to prospects far beyond any hopes held three months ago.

Stocks of grains remaining on farms on July 31 show drastic reductions in all parts of Canada, but these reduced reserves are tempered by the prospects of a good harvest in



1944 which is now being gathered in both eastern and western Canada. The size of the crop will not be known until the first official estimate is made on September 12, but at this time harvest prospects are far ahead of the outturn in 1943, taking wheat, oats and barley as a whole.

Not only is the indicated supply of grains adequate for the new season now getting underway, but a more favourable situation prevails with respect to supplies of high proteins. The heavy run of cattle and hogs to market during the past year has greatly increased the supply of animal proteins, while native production and imports of vegetable proteins have eased the tight situation experienced a year ago. So much so that there has been some modification of the protein levels of certain feeds upon which restriction was placed during the period of short supply, and some export shipments have been permitted.

The Feeds Administrator has warned that this improvement in supplies of high proteins should not be the signal for extravagant or wasteful practices, pointing out that under wartime conditions, surpluses can, without warning, very quickly disappear. He has further indicated that supplies in the coming year may be channeled more to the dairy production field with less emphasis now being placed on further expansion of the poultry industry which has in the past enjoyed a large share of these high protein supplies.

Changes likely to take place in live-stock numbers in Canada during the next year are a matter of great importance in any appraisal of feed requirements during 1944-45. Some indication of changes will soon be available when the compilation of the annual June Survey is completed, but there is nothing at the moment to suggest any appreciable increase in numbers, while there are signs that a decrease in hog numbers appears likely by the early part of 1945.

The ranch country in southern Alberta has experienced a very dry season and the feeding of grains has been found necessary already in order to procure gains in weight. Whether the poor pasture conditions will induce liquidation of stock or will be made up by the purchase of grain from other areas more abundantly supplied, can only be a matter of conjecture at this time, but it is a factor in the cattle situation.

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#### Farm Income and Price Index Numbers of Commodities and Services Used by Farmers

Net farm income, that is, gross income including government payments less operating expenses and depreciation charges, amounted to \$974,000,000 in 1943. This was \$180,000,000 below the high of \$1,154,000,000 reached in 1942 but substantially above the 1940 estimate of \$534,000,000. Higher prices, together with a pronounced expansion of livestock production and higher grain yields, accounted for this remarkable increase in farm income between 1940 and 1942. The decline in 1943 may be attributed to lower per acre yields of grain.

Cash income from the sale of farm products increased consistently from 1940 to 1943, but much of the increase which occurred between 1942 and 1943 represented receipts from sales of the 1942 crop. Cash income in 1943 amounted to \$1,397,270,000 compared with \$1,114,894,000 in 1942 and \$765,845,000 in 1940.

The estimated operating expenses of Canada's 730,000 farms in 1943, including depreciation, amounted to \$615,000,000, an increase of \$111,000,000 or 22 per cent over 1940, according to a report issued by the Agricultural Branch of the Bureau. The increase in farm operating expenses arises largely out of higher prices for goods and services entering into production, although for certain items of cost such as feed-stuffs, the expenditures fluctuate materially from year to year on the basis of crop yields.

During the period from April 1940 to August 1943 the index number of prices of commodities and services used in agricultural production rose from 106.8 to 138.9, according to a report issued by the Prices Branch of the Bureau. This represented an increase of 27 per cent in prices compared with 22 per cent change shown in total expenditures. In certain instances, because of a shortage of supplies, the expenditures did not rise as rapidly as did prices. This was particularly true of labour where there has been a substantial reduction in the number of workers on farms despite a very marked increase in the rates of wages being paid.

Price indexes of certain groups of commodities and services used by Canadian farmers as at August 1943 were as follows, with those for April 1940 in brackets, the base period being 1935-1939: implements, 116.7 (106.5); wages, 256.9 (120.0); fertilizers, 108.0 (110.7); seed, 132.8 (102.2); gasoline, oil and grease, 120.6 (101.0); building materials, 106.5 (114.8); taxes, 116.3 (106.0); hardware, 120.5 (108.4); feed, 122.9 (97.7); interest on mortgages, 92.4 (93.9); binder twine, 125.0 (117.6).



Price changes between April 1943 and April this year were reflected in the following index numbers, those for April of 1943 being in brackets: implements, 116.8 (116.7); wages, 258.0 (220.8); seed, 136.4 (127.1); building materials, 172.8 (153.8); taxes, 114.1 (116.3); hardware, 120.8 (120.7); feed, 127.1 (118.5). The indexes for fertilizers at 108.0, gasoline, oil and grease at 120.6, interest on mortgages at 92.4, and binder twine at 125.0 were unchanged during the twelve month period.

#### Crop Conditions in Canada

Harvesting operations continued across Canada during the past week and while there is considerable variation as between provinces prospects in general are quite satisfactory. Drought during the past two weeks prevailed throughout the Maritime Provinces and seriously affected pastures and aftermath. Haying is now completed and cereals are ripening rapidly. Crop prospects remain good throughout most of Quebec and Ontario although dry, hot weather has been hard on pastures. Harvesting is well under way in Quebec and in Ontario threshing of fall wheat is nearing completion with excellent yields.

Harvesting is proceeding in the Prairie Provinces although rains have delayed operations in many areas. Variable weather in Manitoba hampered the cutting of grain and warm dry weather is required. From 25 to 30 per cent of the crop is cut in the southern part of the province and about 15 per cent in the central and northern areas. In general conditions were fairly well maintained in Saskatchewan although further deterioration occurred in the extreme west-central and south-western parts. Cutting will be general in the south during the next week and in most areas in from two to three weeks. Sawfly damage is reported from many areas. Harvesting is well advanced in southern Alberta and the Peace River area. Yields are generally light. In the central districts crops are progressing favourably and heavy yields are expected. Cutting will be general about August 20.

In British Columbia the weather has turned cool with showers. Cutting of wheat in the northern areas has commenced and harvesting in the other districts is well under way. Yields generally are good. A further increase in the tree fruit estimates is now indicated as a result of the continued favourable growing weather.

#### Motion Picture Theatres in 1943

Final compilations of motion picture theatre statistics for 1943 show that there were 1,269 theatres in Canada last year and that these had 205,826,197 paid admissions. Box office receipts, exclusive of amusement taxes amounted to \$52,567,989, while Dominion and provincial amusement taxes collected at motion picture theatres amounted to \$13,381,361. In addition there were 99 itinerant operators and these had 1,051,065 admissions and \$308,557 receipts.

All provinces reported increases both in admissions and receipts in 1943 compared with 1942. Percentage increases in receipts compared with 1942 for the provinces with corresponding percentage increases in admissions in brackets follow: Prince Edward Island, 27.1 (27.6); Alberta, 20.8 (17.8); New Brunswick, 20.5 (19.3); Saskatchewan, 19.4 (18.3); British Columbia, 17.7 (19.4); Nova Scotia, 17.2 (17.9); Quebec, 14.8 (12.2); Ontario, 9.3 (8.1); and Manitoba, 7.7 (7.8) per cent.

#### Civil Aviation in April

Civil air carriers transported 30,166 revenue passengers during April as compared with 29,513 in the previous month and 22,580 in the corresponding month of last year. Revenue freight carried declined from 835,779 pounds in 1943 to 762,878, and mail declined from 615,941 to 561,389 pounds. Operating revenues of Canadian licensed carriers increased from \$1,226,307 in April of last year to \$1,454,325. Operating expenses increased from \$1,180,089 to \$1,595,283, and net operating revenues declined from a credit of \$46,218 to a debit of \$140,958.

#### Sales of Clay Products in June

Sales by producers of clay products made from domestic clays in June were valued at \$658,266 compared with \$600,586 in May and \$602,203 in June of last year. In June this year, sales included the following: building brick, \$281,553; structural tile, \$85,916; drain tile, \$41,455; sewer pipe, \$114,676; fireclay blocks and shapes, \$23,276; pottery, \$70,338; and other clay products, \$41,052.

### Births, Deaths and Marriages in June

Births registered in cities, towns and villages having a population of 10,000 and over numbered 11,802 in June, deaths 4,773 and marriages 6,873 as compared with 11,853 births, 4,634 deaths and 7,312 marriages in June last year, showing increases of 0.4 per cent in births, six per cent in marriages and an increase of three per cent in deaths.

### Car Loadings on Canadian Railways

Car loadings during the week ending August 5 totalled 69,815 cars as compared with 71,109 in the previous week and 67,444 in the corresponding week of last year. In the eastern division loadings increased to 44,880 cars from 43,629 in the same week of last year, and in the western division to 24,935 cars from 23,815.

### Reports Issued During the Week

1. Clay Products Made from Canadian Clays, June (10 cents).
2. Civil Aviation, April (10 cents).
3. Car Loadings on Canadian Railways (10 cents).
4. Production of Canada's Leading Minerals, June (10 cents).
5. Survey of Production, 1942 (25 cents).
6. Economic Conditions during First Half of 1944 (10 cents).
7. Canadian Grain Statistics (10 cents).
8. Coal and Coke Statistics, June (10 cents).
9. Price Index Numbers of Commodities and Services Used by Farmers (10 cents).
10. Net Farm Income, 1940 to 1943 (10 cents).
11. Motion Picture Theatres in Canada, 1943 (25 cents).
12. Carry-Over Stocks of Canadian Grain at July 31, 1944 (10 cents).
13. Registrations of Births, Deaths and Marriages, June (10 cents).
14. The Hardwood Distillation Industry, 1943 (15 cents).
15. Stocks and Consumption of Unmanufactured Tobacco during Quarter Ending June 30, 1944 (10 cents).
16. Telegraphic Crop Report, Canada (10 cents).
17. Summary of Canada's Exports, July (10 cents).
18. Domestic Exports by Principal Countries, July (10 cents).
19. Type of Farms, Canada, 1940 (10 cents).
20. Monthly Review of Business Statistics, July (10 cents).
21. Silver, Lead and Zinc Production, June (10 cents).
22. Gold Production, June (10 cents).
23. Canadian Coarse Grains, Quarterly Review (25 cents).



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