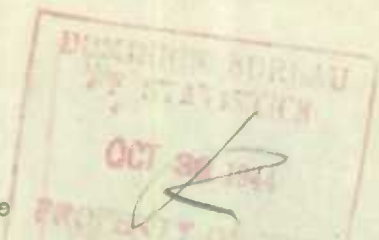


WEEKLY BULLETIN

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Economic Conditions During First Eight Months of 1944

The major economic factors indicating the trend of economic conditions averaged higher in the first eight months of the present year than in any similar period. The most striking increase occurred in the deposit liabilities of the chartered banks. The marked upward trend in evidence since the outbreak of war was continued in the period under review. The average of four main classes of deposits in the first seven months was \$4,538 million, an increase of 17.5 per cent over the corresponding period of last year. While the index of the physical volume of business has recently shown recession, the increase in the average for the first eight months over the same period of 1943 was slightly more than three per cent. The standing on the base of 1935-39 was 240.2 against 232.9 last year.

The increase in wholesale prices was 3.7 per cent, the index on the base of 1926 averaging 102.6 in the first eight months against 98.9 in the same period of 1943. While Dominion bond prices were remarkably stable since the first quarter of 1943, a moderate increase has been shown during the present year. The index of bond yields consequently averaged slightly less than one year ago. Common stock prices were practically maintained at the levels of 1943, a decline of only 0.6 per cent to 82.8 having been recorded. Speculative trading on the stock exchanges was at a slightly higher level than in the first eight months of 1943.

The amount of cheques cashed in clearing centres was 15.6 per cent greater during the period under review. The total in the first eight months rose to \$39,192 million, the highest level in history. Circulating media in the hands of the public including notes and coins rose from \$725 million to \$830 million, a gain of 21.4 per cent. Cash and cheque payments computed for the first seven months of the year amounted to nearly \$49 billion compared with \$41.5 billion in 1943, an increase of 18 per cent having been indicated.

Due to a downward trend in the employment of labour forces during recent months the general index showed a slight recession in the first eight months of the present year as compared with the same period of 1943. The index was 181.9 against 182.0, the recession having been of minor proportions. Increases were shown in the labour force engaged in manufacturing, logging and trade, while declines were shown in mining and construction.

Four of the five components of the index of physical volume of business recorded increases in the period under review. Mineral production was at a slightly lower level, the recession in the index having been from 242.8 to 239.9. The decline in gold receipts at the Mint was 21.6 per cent, while coal production at 10,934,000 tons recorded a decline of 6.6 per cent.

Manufacturing production still recorded a minor gain over the first eight months of 1943, an index of 296 against 288.5 recording an increase of 2.7 per cent. Flour production in the first seven months was at a slightly lower position. The meat packing industry was considerably more active, increases having been shown in cattle and hog slaughterings. Factory cheese production rose 12.7 per cent, while a decline was recorded in creamery butter. The change in the release of cigarettes and cigars was of minor proportions, the cigarettes made available rising from 7,281 million to 7,506 million. The output of leather boots and shoes in the first seven months rose two per cent to 17,450,000 pairs. Measured by the consumption of raw cotton the textile industry was less active than in the same period of 1943. Raw cotton used amounted to 109.1 million pounds against 123.8 million, a decline of 11.8 per cent. The production of newsprint at 1,938,000 tons showed a minor gain in the period under review. Steel ingots production was practically maintained, while an increase of seven per cent was shown in the output of pig iron.

- New business obtained by the construction industry was at a considerably greater volume in the first eight months of the present year. The increase in contracts awarded was 47 per cent while an advance of 61 per cent was shown in building permits. The central electric stations supplied a greater amount of electrical energy in the first eight months of the present year. The consumption of firm power rose 1.7 per cent to 23,677 million kilowatt hours.

Storage Stocks of Food on October 1

Storage holdings of creamery butter, including stocks in transit by rail, on October 1 totalled 67,794,714 pounds, according to data obtained by the Dominion Bureau of Statistics. This total compares with 64,475,577 pounds on September 1, 78,960,197 pounds on October 1, 1943, and the five year 1939-43 average for October 1 of 63,494,000 pounds.

Cheese stocks amounted to 65,249,713 pounds on October 1 this year. On the corresponding date of last year holdings were 57,164,646 pounds but in transit stocks were not then shown. On September 1 of the present year there were 61,419,203 pounds on hand. Stocks of evaporated whole milk held by or for manufacturers totalled 35,133,571 pounds, being a slight reduction from the September 1 holdings of 35,361,109 pounds. The stocks on October 1, 1943, were only 12,867,320 pounds.

October 1 stocks of shell eggs were 10,869,970 dozen compared with 15,089,538 on September 1 and 2,582,179 on the corresponding date of last year. Holdings of frozen eggs amounted to 44,414,708 pounds compared with 44,642,310 on September 1 and 16,744,441 on October 1, 1943.

Dressed poultry on hand aggregated 11,819,164 pounds, almost two million more than last month when the stocks amounted to 10,069,374 pounds. A year ago the total was only 4,046,664 pounds. The October 1, 1944 reported stocks included 3,115,776 pounds of chickens, 5,580,414 pounds of fowl and 1,181,670 pounds of turkeys.

All meat stocks in Canada totalled 67,456,295 pounds, about a million pounds less than last year when the total was 68,318,473 pounds. The stocks were also down from the September 1 total of 70,673,418 pounds. Stocks of Canadian pork on October 1 this year amounted to 35,212,208 pounds, beef 22,659,315, veal 6,534,280 and mutton and lamb 2,880,801 pounds. Lard stocks were 7,269,091 pounds compared with 2,045,691 last year and 13,450,657 last month.

Stocks of frozen fish on hand on October 1 amounted to 42,895,276 pounds. The amount of cod in store was 8,811,598 pounds compared with 7,897,924 on September 1 and 7,806,108 on October 1, 1943. Haddock holdings were 964,478 pounds, a reduction from last year's stocks which totalled 1,190,808, and also a slight reduction from the September 1 total of 987,217 pounds. Salmon totalled 7,821,195 pounds compared with 3,933,162 last year and 4,480,175 pounds last month. Sea herring, including kippers, were 9,481,607 pounds compared with 10,269,287 a year ago and 10,528,659 last month.

Apple stocks at distributing centres amounted to 318,025 bushels, and stocks of pears 23,414 bushels. Frozen fruit amounted to 12,230,657 pounds and fruit and preservatives aggregated 21,374,709 pounds. Fresh celery in store totalled 59,805 crates, potatoes 2,665 tons and onions 7,487 tons. Frozen vegetables and vegetables in brine amounted to 6,475,646 pounds.

Canada's Honey Crop in 1944

Canada's 1944 honey crop amounts to 36,215,000 pounds, according to a preliminary estimate of production released by the Dominion Bureau of Statistics. The crop is 3,276,300 pounds or eight per cent smaller than the very large output of 39,492,100 pounds in 1943, but is eight per cent greater than the ten-year, 1933-42, average of 33,462,000 pounds.

The yields per colony were higher this season than in 1943 in only two provinces, namely, Manitoba and Alberta, where the average was 100 and 105 pounds, respectively. In the other 7 provinces the average yields ranged from a low of 37 pounds in Quebec to 95 pounds in Saskatchewan. With the exception of Ontario, increases in the number of producing colonies are reported in all provinces, the greatest increase being in Prince Edward Island where the number is 60 per cent larger than in 1943. In Ontario the number of producing colonies remained unchanged. Normally, about 50 per cent of the crop is produced in Ontario, but this year because of unfavourable weather conditions, the Ontario crop amounted to 39 per cent of the Canadian total.

The summer flow of nectar was a little above normal in Manitoba and about normal in Prince Edward Island and Saskatchewan. In all other provinces the flow was well below normal. Approximately 91 per cent or 32,898,000 pounds was 'light' honey with the remaining 9 per cent grading 'dark'.

Estimate of Production of Field Crops

Canada's 1944 potato crop is placed at 47,540,000 cwt. compared with 43,541,000 cwt. in 1943. In the Maritimes both Prince Edward Island and Nova Scotia increased their production, largely as a result of much higher yields, although acreage planted to potatoes in Nova Scotia also increased. A reduction in yield per acre in New Brunswick resulted in a smaller production despite a planted acreage which exceeded that of 1943 by about 10 per cent. Production in Quebec is up while the Ontario crop is about the same as last year. Flooded conditions together with late blight and rot in Manitoba nearly halved production, while the Saskatchewan crop is larger than in 1943. Alberta shows little change but the outturn in British Columbia is down.

The production of sugar beets in 1944 was increased to 608,000 tons from the 1943 outturn of 473,300 tons. The province of Quebec shows a commercial production for the first time, amounting to 55,000 tons. Ontario's acreage and output for 1944 was sharply up as compared with 1943, while Alberta has produced a moderate increase. A reduced acreage in Manitoba has been more than sufficient to offset a higher yield per acre.

Despite a reduced acreage sown to dry peas in 1944 as compared with 1943, production has declined by less than 75,000 bushels as a result of very good yields. The total Canadian production in 1944 was 1,488,000 bushels compared with 1,562,000 in 1943. Actually the decline may be considerably less than that because some peas for canning and for feed were included in the estimate of production for Ontario in 1943. Quebec and Manitoba both report greater production with Manitoba's 1944 crop more than double that of the preceding year. Alberta's production is down as a result of reduced acreage although the crop has also been injured recently by hail and heavy winds. The pea acreage in Saskatchewan is increasing and the output is estimated at 60,000 bushels for this year.

The shelled corn crop is up to 12,390,000 bushels in 1944 as compared with 7,775,000 bushels in 1943. More favourable weather in Ontario this year is responsible for both a larger acreage and a higher yield per acre. Production in Manitoba is higher than last year by virtue of a much better average yield and in spite of a reduced acreage. The turnip, alfalfa and fodder corn crops show little change from a year ago, but the outturn of mixed grains is half as high again as in 1943.

Visible Supply of Canadian Wheat

Stocks of Canadian wheat in store or in transit in North America at midnight on October 5 totalled 313,896,600 bushels compared with 373,188,533 on the corresponding date of last year. The amount in Canadian positions on the latest date was 288,897,515 bushels and in United States positions, 24,999,085 bushels.

Marketings of Wheat and Coarse Grains

Deliveries of wheat from farms in the Prairie Provinces during the week ending October 5 amounted to 12,186,085 bushels compared with 13,414,420 in the previous week. Marketings during the elapsed portion of the crop year which commenced August 1 totalled 79,019,913 bushels compared with 40,528,108 in the similar period of the preceding crop year.

The following quantities of coarse grains were also delivered from farms in the Prairie Provinces during the week ending October 5, totals for the previous week being in brackets: oats, 2,808,271 (2,640,976) bushels; barley, 5,612,211 (6,063,355); rye, 132,322 (147,309); flaxseed, 373,326 (455,387).

Dairy Production in Canada in September

Butter production suffered a further decline in September, the total make falling to 30.9 million pounds or seven per cent below that of the corresponding month of 1943. For the nine months ended September, 244.7 million pounds were produced, representing a reduction of 14 million pounds or 5.5 per cent from the January to September output of the preceding year.

There is no evidence as yet of any diversion of milk from cheese factories to creameries. The stock position has now reached the high point of the season and from now until the end of April, the quantity of butter produced will be relatively small, so that

stocks will gradually diminish. During the summer months, efforts were made to lay up larger stores of butter so that sufficient supplies might be available for winter use. The expiry dates of butter coupons were postponed on several occasions.

The domestic disappearance of creamery butter for August averaged 2.22 pounds per capita as compared with 2.24 in the same month of 1943. Including dairy butter, the August disappearance was 2.56 pounds as against 2.60 pounds a year ago. During the nine-month period, January-September, the domestic disappearance of creamery and dairy butter combined was approximately 232 million pounds as compared with nearly 212 million pounds in the same period of 1943, or 19.3 and 17.9 pounds, respectively, on a per capita basis.

Cheese production is also declining, both seasonally and in relation to the production shown a year ago. The September output of 22.8 million pounds was 2.4 per cent less than that produced in the same month of 1943; but the January-September output of 143.2 million pounds represented an increase of 13 million pounds, or 10 per cent over the nine-month period of 1943.

The production of concentrated milk declined nearly seven per cent in September, the total being 23.9 million pounds, including 19.7 million pounds of whole milk products and 4.2 million pounds of milk by-products. The former declined nine per cent while the latter increased six per cent. For the nine-month period, January to September, the production of concentrated milk products amounted to 222.3 million pounds, which was nearly $2\frac{1}{2}$ per cent greater than that of a year ago.

Ice cream production is still on the increase. The September make was 1.3 million gallons as compared with 1.26 million gallons in the same month of the previous year; and during the first nine months of 1944, 15.0 million gallons were produced, which represents an increase of one-half million gallons over that recorded for the same period a year ago.

Milk production during August continued at a somewhat lower level than that shown for the previous year. The decline in both July and August was approximately three per cent. In analyzing the situation with regard to the utilization of milk, it is apparent that fluid milk sales continue to impinge on the output of creamery butter. During the month of August the diversion of milk from creamery to fluid milk plants represented about one per cent of the total milk production. The proportion of milk used for factory cheese, on the other hand, had reached a more stabilized position, approximately 15 per cent being utilized for this purpose.

Production of Coal and Coke in August

Production of coal in Canada in August amounted to 1,377,228 tons compared with 1,170,696 in the preceding month and 1,441,577 in the corresponding month of last year. During the first eight months of the current year the output totalled 10,934,181 tons compared with 11,726,721 in the similar period of 1943.

Imports of coal during August amounted to 3,506,156 tons compared with 3,801,718 in August, 1943; in the first eight months of the present year, 18,281,858 tons were imported compared with 16,812,724 in the like period of 1943. August exports of coal amounted to 79,131 tons compared with 122,779 a year ago, the total for the eight months of this year standing at 701,351 tons compared with 685,293 in the same period of 1943.

Production of coke in August advanced to 328,000 tons from the July total of 322,000 tons and the August 1943 output of 314,000 tons. During the first eight months of 1944 the output aggregated 2,691,000 tons compared with 2,192,000 in the comparable period of 1943.

Retail Sales in Canada in August

Retail sales in Canada in August increased 10 per cent over the corresponding month of last year, and advanced five per cent from the July level. Unadjusted index numbers, on the base 1935-1936=100 stand at 157.0 for August this year, 142.3 for August last year and 149.0 for July. Sales during the first eight months of the current year averaged seven per cent higher than in the similar period of 1943.

Analysis of the results for various trades reveals that the expansion in retail business in August extended to almost all types of consumer goods. The only decline in sales was that recorded by radio and electrical stores, which specialize in merchandise still in short supply. Relaxation of restrictions on the production of certain

types of durable goods was reflected in the 16 per cent increase for the hardware trade in August of this year compared with last.

Percentage increases in sales of other types of retail outlets in August compared with the corresponding month of last year were as follows: boot and shoe stores, 6.7; candy stores, 11.7; men's clothing stores, 4.6; women's clothing stores, 10.5; department stores, 15.3; drug stores, 11.0; furniture stores, 10.4; grocery and meat stores, 9.3; restaurants, 3.6; and variety stores, 7.6.

Sales and Purchases of Securities Between Canada and Other Countries during July

Net sales of securities by Canada to other countries in July were \$9.7 million compared with \$10.2 million in June and \$22 million in July, 1943. Most of the inflow of capital continues to originate in the sales of Canadian bonds to the United States. Net repurchases from the United Kingdom in July amounted to \$900,000, while net sales to other countries totalled \$300,000. During the first seven months of the current year, the balance of sales to all countries was \$69.6 million compared with \$120.9 million in the similar period of last year.

Sales of securities to all countries in July amounted to \$20.8 million compared with \$20.5 million in June and \$31.7 million in the corresponding month of last year, the total for the first seven months of this year amounting to \$134.4 million compared with \$180.1 million in the comparable period of last year. Purchases from other countries in July were valued at \$11.1 million compared with \$10.3 million in June and \$9.7 million in July, 1943, the total for the first seven months of the present year standing at \$64.8 million compared with \$59.2 million in the similar period of 1943.

Indexes of Wholesale Sales in August

An active wholesale trading market resulted in dollar sales increasing 16 per cent in August of this year over the corresponding month of 1943, the general unadjusted index of sales on the base 1935-1939=100 standing at 200.8 for August this year, 179.3 for July and 173.4 for August, 1943. Aggregate sales transacted in the first eight months of the present year were 11 per cent in advance of the similar period of 1943.

Talc and Soapstone Industry in 1943

The value of talc and soapstone sold by Canadian producers in 1943 totalled \$266,685 compared with \$310,824 in 1942. Mine shipments of soapstone and talc reported in 1943 by operators in the Province of Quebec amounted to 14,204 tons valued at \$135,469. Production of the higher grades of talc is confined chiefly to the Province of Ontario, and the 1943 shipments totalling 11,959 tons valued at \$131,216, were made almost entirely from a deposit located in Hastings county.

Reports Issued Today

1. Talc and Soapstone Industry, 1943 (15 cents).
 2. Indexes of Retail Sales, August (10 cents).
 3. Coal and Coke Statistics, August (10 cents).
 4. Current Trends in Food Distribution, August (10 cents).
 5. Car Loadings on Canadian Railways (10 cents).
 6. Indexes of Wholesale Sales, August (10 cents).
 7. Traffic Report of Railways, June (10 cents).
 8. Sales and Purchases of Securities Between Canada and Other Countries, July (10 cents).
 9. Economic Conditions in Canada During First Eight Months, 1944 (10 cents).
 10. Monthly Dairy Review, September (10 cents).
 11. Fisheries Statistics of Canada, 1942 (35 cents).
 12. Field Crops of Canada, 1944 (10 cents).
 13. The 1944 Honey Crop (10 cents).
 14. Cold Storage Holdings of Fish, October 1 (10 cents).
 15. Stocks of Fruit and Vegetables, October 1 (10 cents).
 16. Cold Storage Holdings of Meat and Lard, October 1 (10 cents).
 17. Stocks of Dairy and Poultry Products, October 1 (10 cents).
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