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National Income of Canada

The Dominion-Provincial Conference on Reconstruction has received a preliminary edition of a booklet entitled "National Accounts, Income and Expenditure, 1938-1944", as prepared by the Central Research and Development Branch, Dominion Bureau of Statistics. The figures now released for the first time are the result of research in the field of national income statistics carried on over a considerable period. New concepts have been introduced as well as more refined methods of estimation.

The principal tables present gross national product and gross national expenditure in the form of balancing accounts. The totals for the years 1938 to 1944 are summarized as follows, in millions of dollars: 1944, \$11,727; 1943, \$11,137; 1942, \$10,268; 1941, \$8,361; 1940, \$6,708; 1939, \$5,483; and 1938, \$5,060.

Gross national expenditure is an evaluation of all the end products of the economic system in a given year, whether these are sold to private persons or to governments. These final products are made up of consumption goods and services and of capital goods formation called gross investment. The latter includes changes in business inventories. Gross national expenditure is really an enumeration of sales for the country as a whole. It is said to be on a consolidated basis because sales of raw materials and goods in process between businesses are not included. Gross national expenditure is designed as a comprehensive measurement of the results of productive activities generally. Within the total, government war expenditures are shown to have risen during the war years to an amount of \$4,681 million in 1944.

The balancing total -- gross national product -- is an accounting of the costs incurred in the current year's output of goods and services for the country as a whole. The total revenues from sales reported under gross national expenditure are here allocated to different categories of cost. Gross national product is also on a consolidated basis because here again are excluded costs involved in the purchase of goods and services by one business from another.

The principal part of gross national product is the net national income at factor cost. In non-technical terms it is the income earned by persons in productive pursuits, whether their services are rendered to business firms, to the government or directly to the consuming public. Net national income at factor cost is shown to have increased steadily from a level of \$3,960 million in 1938 to \$9,704 million in 1944.

Other detailed statistics are presented in "National Accounts", together with a detailed statement of the concepts utilized and methods of estimation. As quickly as time permits the Dominion Bureau of Statistics intends to publish other tables revealing important aspects of the functioning of the Canadian economy. The coverage of the figures will also be extended back to earlier years.

Building Permits Issued in October

Building permits issued by municipalities which reported to the Dominion Bureau of Statistics reached the value of \$18,999,903 in October, recording a decline from the September total of \$20,023,799, but exceeding the October 1944 figure of \$11,934,370 by 59 per cent. Permits for new construction were issued in October to the value of \$15,802,162 and additions, alterations and repairs, \$3,197,741. For the first 10 months of the current year, permits were granted to the value of \$162,883,501 as compared with \$111,759,863 in the comparable period of 1944, an advance of 46 per cent.

New housing units represented in the building permits issued in October by the reporting municipalities numbered 2,925, of which 2,688 were new buildings and 237 were conversions. In October last year, 1,776 permits were issued for housing units, including 1,513 for the construction of new buildings and 263 for conversions. The aggregate value of new residential buildings, additions and repairs thereto, was \$11,152,964 in October this year as compared with \$5,906,995 in October, 1944.

Permits for the construction of 24,550 new dwelling units were granted during the first 10 months of the present year as compared with 21,341 in the same period of 1944.

The permits for 1945 included 21,940 for new buildings and 2,610 conversions. The value of new residential buildings, and additions and repairs thereto amounted to \$101,109,407 during the first 10 months of this year as compared with \$74,439,260 in the same period of 1944.

Production of Silver in September

Silver production in Canada in September amounted to 962,889 ounces as compared with 1,055,488 in the preceding month and 910,838 in the corresponding month of last year. The total for the first nine months of the current year was 9,962,831 ounces as compared with 10,132,857 in the similar period of 1944.

Lead Production in September

Primary production of unrefined lead in Canada moved higher in September, amounting to 29,175,590 pounds as compared with 28,127,996 in the preceding month and 18,993,630 in the corresponding month of last year. During the first nine months of this year, production advanced to 247,084,332 pounds from last year's corresponding total of 214,946,583 pounds.

September Production of Primary Zinc

Production of primary zinc in September was recorded at 38,459,108 pounds as compared with 41,520,857 in August, and 46,955,939 in September, 1944. In the first nine months of this year, 399,183,624 pounds of primary zinc were produced as compared with 412,237,774 in the similar period of 1944.

Production of New Copper in September

September production of new copper amounted to 35,023,084 pounds as compared with 39,480,312 in the preceding month and 43,106,124 in the corresponding month of last year. The total for the first nine months of this year was reduced to 375,608,330 pounds from last year's corresponding output of 415,394,851 pounds.

Nickel Production in September

Nickel production in Canada moved lower in September, totalling 16,506,248 pounds as compared with 21,991,592 in August and 22,710,286 in the corresponding month of last year. During the first nine months of this year, production aggregated 198,191,362 pounds as compared with 208,752,111 in the like period of the preceding year.

Financing of Motor Vehicle Sales in October

Canadian finance companies contracted for the financing of sales of 2,487 new and used motor vehicles during October, involving an amount of \$1,250,143, representing an increase of six per cent in number of units and 18 per cent in amount of financing over October 1944 when 2,339 vehicles were financed to the extent of \$1,062,214. October is the first month since March 1944 during which the total number of motor vehicles financed exceeded that for the corresponding month of the preceding year. October 1945 totals included 295 new vehicles which were financed for \$399,569.

In the used vehicle field, increases amounted to three per cent in number and nine per cent in dollar volume of financing. There were 2,192 used vehicles financed in October 1945 with a financed value of \$850,574 as compared with 2,126 units financed for \$778,137 in the same month of last year. There was wide fluctuation in the trends for various sections of the country, results ranging from a 28 per cent increase in Quebec to a 10 per cent decline in combined totals for Manitoba and Saskatchewan.

The number of new vehicles financed in the first 10 months of this year was 3,023, whereas only 1,924 new vehicle sales were financed in the similar period of last year. Used vehicles financed during the first 10 months of the current year totalled 20,913, while 27,153 contracts were handled in the same 10 months of 1944.

Steam Railways in 1944

Railway revenues continued to increase in 1944, advancing to a new high record of \$796,686,786 as compared with \$778,914,565 in 1943 and \$336,833,400 in 1938. Operating expenses were increased from \$560,597,204 in 1943 to \$634,774,021, which included approximately \$10,000,000 of wages earned in 1943 and paid in 1944 under the National War Labour Board award of July 31, 1944. The 1944 expenses were also affected by this award which increased wage rates for the entire year. Freight revenues increased by \$9,237,127 or 1.6 per cent, and passenger revenues advanced by \$8,060,462 or 6.5 per cent. The increase in revenue ton miles of freight was 3.2 per cent, and in passenger miles 5.3 per cent.

Railway tax accruals declined from the high record of \$44,414,192 in 1943 to \$35,092,157, and the net income before dividends and other profit and loss charges, was reduced to \$61,691,665 as against \$84,062,527 in 1943. Dividend payments during the year were increased from \$5,541,980 in 1943 to \$19,398,278, the Canadian Pacific paying \$13,400,000 on common stock for the first time since 1931; it declared a further dividend of three per cent in 1945 out of 1944 earnings. The cash surplus of the Canadian National, paid to the Dominion Government and applied in reducing the loans from the Government, declined from \$35,639,412 in 1943 to \$23,026,924. Interest payments on funded and unfunded debt amounted to \$74,177,422 as compared with \$75,660,048 in 1943.

The number of employees, which is the average of counts made each month, increased from 169,663 in 1943 to 175,095 or by 3.2 per cent, and the number of female employees included in these, increased from 10,051 to 13,327 or by 33 per cent. The total salaries and wages paid increased from \$323,801,645 to \$372,064,613 or by 14.9 per cent. The average hourly wage for all employees increased from 73.7 cents in 1943 to 83.4 cents. This, however, was affected by the inclusion of 1943 back pay in 1944, and also by the relative amount of overtime as well as the increases in basic rates.

Eight passengers were killed in train accidents during the year and 416 were injured as compared with nine killed and 417 injured in 1943. The record of employees killed and injured in train accidents showed considerable improvement, the number killed being reduced to 81 from 112 in 1943, and the number injured to 2,637 from 2,942. The number of persons killed at highway crossings in train accidents increased from 136 in 1941 to 138, but the number of persons injured declined from 430 to 360.

Car Loadings on Canadian Railways

Car loadings on Canadian railways for the week ended November 17 declined to 74,093 cars from 75,304 cars for the preceding week and 77,646 cars for the corresponding week of last year. Loadings in the eastern division declined from 48,530 cars in 1944 to 46,018 cars, coal declining from 3,128 to 2,838 cars, and automobiles, trucks and parts from 2,106 to 870 cars. In the western division the decrease was from 29,116 to 28,075 cars, the large reduction being in grain from 9,578 to 7,969 cars. Advances were shown in loadings of live stock from 2,376 to 2,723 cars, and in coal from 3,039 to 3,379 cars.

Department Store Sales in October

Department store sales in October were 15 per cent above those for the corresponding month of last year and increased 10 per cent over the dollar volume of business in September of this year. The margin of increase over October 1944 was somewhat higher than the average for the first 10 months of the year during which sales gained 11 per cent over the corresponding period of 1944. Unadjusted indexes, on the base 1935-1939=100, stood at 221.0 for October this year, 193.0 for October 1944, and 201.6 for September, 1945.

Drug Chains in Canada in 1944

Results of the annual survey of retail drug chains made by the Dominion Bureau of Statistics show that there were 29 drug chain companies operating in Canada in 1944 and these had a total of 323 retail outlets with \$23,004,500 sales. This represents an increase of 4.6 per cent over the volume of business transacted in 1943 by 32 chain companies which operated 341 stores.

The increase in drug chain sales in 1944 over the preceding year compares with an estimated average increase of eight per cent for all drug stores, including both chains and independents. Although this average gain must be considered as an estimate it can be considered sufficiently reliable to indicate that the increase for chains was somewhat less than that for independent stores.

Production of Asphalt Roofing in October

Production of asphalt shingles, siding and roofing in Canada in October included 423,327 squares of shingles, siding and roofing, and 4,304 tons of felts and sheathing, as compared with 324,591 squares of the former and 3,917 tons of the latter in the corresponding month of last year. This year's October production was broken down as follows, totals for October 1944 being in brackets: asphalt shingles, 155,288 (100,610) squares; asphalt siding, 3,952 (1,953) squares; smooth surfaced roofing, 138,760 (117,490) squares; mineral surfaced roofing, 125,327 (104,538) squares; tar and asphalt felts, 3,007 (2,730) tons; tar and asphalt sheathing, 1,297 (1,187) tons.

Production of Leather Footwear in September

Production of leather footwear in Canada in September was recorded at 3,126,099 pairs as compared with 3,246,398 pairs in August and 2,893,705 pairs in September, 1944, according to figures released by the Dominion Bureau of Statistics. During the first nine months of 1945, 28,492,766 pairs were produced as compared with 26,462,034 in the like period of 1944.

Feed Situation in Canada

For the 1945-46 crop year the over-all supply of feed grains in Canada, in terms of supply per grain-consuming animal unit appears to be sufficient. If carefully used, the supply of high-protein supplements should meet requirements. A favourable season has ensured fairly adequate hay supplies, especially in eastern Canada.

Net supplies of feed grains available in Canada during the current crop year total 12.6 million tons as compared with 14.3 million tons available in 1944-45, a reduction of about 12 per cent. At the same time, the number of grain-consuming animal units has been reduced from 21.3 million as at June 1, 1944 to 19.8 million at the same date in 1945. Fortunately, 1942 provided a bumper crop and a substantial carry-over of coarse grains for succeeding years, which permitted maintenance of the expanded live-stock production through 1943 and into 1944 and 1945. Since then, domestic utilization, plus exports of oats and barley has exceeded production, and it is expected to do so again in the current crop year.

A very important factor in the retardation of the disappearance of wartime feed grain reserves has been the substantial increase in the feeding of wheat surpluses during the last three years. During the last three crop years it is estimated that an average of over 2.5 million tons of wheat has been fed to live stock as compared with 0.96 million tons in the five-year period 1936-40, or an amount over two and a half times as great as that for the pre-war period.

The production of coarse grain crops is much less favourable this year than it was a year ago, with an oats and barley outturn of some 378.3 million and 156.3 million bushels, respectively, as compared with 499.6 million and 194.7 million bushels, respectively, a year ago. Most of the decrease occurred in the Prairie Provinces owing to unfavourable conditions in important sections of the coarse grain growing area. However, the reduction in the coarse grain outturn was not so pronounced in the five eastern provinces, thus easing the transportation problem of moving feed grains into this normally deficit area. Although substantial amounts of feed grains are expected to move into eastern Canada and British Columbia under the Federal Freight Assistance Policy during 1945-46, they are not expected to reach the 119 million-bushel level of two years ago.

Serious feed grain shortages, owing to crop failure in some districts of western Saskatchewan and Alberta, necessitated the establishment of "feed-banks" in these areas during the early part of the present crop year. In order to procure the necessary adequate supplies, shipments of coarse grains and wheat, grading No. 4 Northern and lower, were prohibited from these areas. Now that "feed-bank" requirements have been filled, the Feeds Administrator has given instructions that restrictions "prohibiting eastward shipment of oats and/or barley out of certain areas in western Saskatchewan or Alberta,, are cancelled as at November 30, except that no shipments of barley may be made eastward out of Alberta until further specific instruction has been issued by the Feeds Administrator". The restrictions on the shipment of the lower grades of wheat have been relaxed, although certain reservations are still maintained.

Exports of coarse grains have been drastically curtailed to ensure against possible feed grain shortages before the end of the current crop year. Oat exports are possible only after careful consideration and the issuance of a permit by the Export Permit Branch.

Barley exports have been prohibited altogether. In order to compensate growers whose barley might have found its way into the malting trade in the United States at a premium of five cents per bushel, the advance equalization payment has been raised from fifteen to twenty cents per bushel. The domestic maltsters, instead of paying the five-cent premium to the growers, will pay into the Equalization Fund five cents per bushel on all barley purchased. The same system of paying the premium into the Equalization Fund will apply to the exporters in the event that domestic supplies will permit the export of barley later in the crop year.

Stocks and Marketings of Wheat and Coarse Grains

Stocks of Canadian wheat in store or in transit in North America at midnight on November 22 totalled 213,519,644 bushels as compared with 362,388,324 bushels on the corresponding date of last year, a decrease of 41.1 per cent. Visible stocks on the latest date included 188,654,544 bushels in Canadian positions as compared with 328,749,925 bushels a year ago, and in United States positions, 24,865,100 bushels as compared with 33,638,399 bushels.

Deliveries of wheat from farms in the Prairie Provinces during the week ended November 22 totalled 4,714,715 bushels as compared with 5,352,999 bushels in the preceding week. From the commencement of the present crop year to November 22, wheat marketings aggregated 151,058,356 bushels as compared with 180,580,123 in the similar period of the crop year 1944-45.

The following quantities of coarse grains were also delivered from farms in the Prairie Provinces during the week ending November 22, totals for the preceding week being in brackets: Oats, 1,070,451 (1,718,683) bushels; barley, 1,169,113 (2,025,856); rye, 50,895 (77,179); flaxseed, 63,035 (79,932).

Index Numbers of Wholesale Prices

The general index number of wholesale commodity prices, on the base, 1926=100, moved higher in October, standing at 102.9 as compared with 102.7 in the preceding month and 102.3 in the corresponding month of last year. The sub-index for the animal products group advanced from 107.7 in September to 108.9, while that for textile products fell from 91.9 to 91.3, iron products from 115.3 to 115.1, and chemical products from 99.0 to 98.9. The vegetable products index at 96.3, wood products at 117.6, non-ferrous metals at 79.7, and non-metallic minerals at 101.1, were unchanged from the September level.

Commercial Failures in Third Quarter of 1945

Commercial failures in Canada in the third quarter of 1945 numbered 32 as compared with 34 in the second quarter, a decline of about six per cent. When compared with the 51 in the third quarter of 1944, a decline of about 37 per cent was shown. Assignments in the first nine months of the current year recorded a betterment over any other year in the last 24 years. The number was reduced to 118 against 188 in the same period of the preceding year, and 232 in 1943. The minimum previous to 1943 was shown in 1942 when the total for the nine months was 572.

Reports Issued Today

1. Canadian Coarse Grains Quarterly Review (25 cents).
 2. Car Loadings on Canadian Railways - Weekly (10 cents).
 3. Drug Chains in Canada, 1944 (25 cents).
 4. Department Store Sales, October (10 cents).
 5. Preliminary Report on Statistics of Steam Railways, 1944 (10 cents).
 6. Financing of Motor Vehicle Sales, October (10 cents).
 7. Railway Revenue Freight Loadings, October (10 cents).
 8. Production of Asphalt Roofing, October (10 cents).
 9. Sales of Asphalt Roofing, October (10 cents).
 10. Production of Canada's Leading Minerals, September (10 cents).
 11. Production of Silver, Lead and Zinc, September (10 cents).
 12. Production of Copper and Nickel, September (10 cents).
 13. Production of Leather Footwear, September (10 cents).
 14. Building Permits, October (10 cents).
 15. Canadian Grain Statistics - Weekly (10 cents).
 16. Commercial Failures, Third Quarter, 1945 (10 cents).
 17. Prices and Price Indexes, October (10 cents).
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