

WEEKLY BULLETIN

Dominion Bureau of Statistics
Department of Trade and Commerce



Vol. XIII - Nov. 46

Ottawa, Saturday, December 15, 1945

Price \$1.00 per annum

Economic Conditions During First Ten Months of 1945

Economic conditions were uneven in the first 10 months of 1945 as compared with the same period of the preceding year. The productive operations receded to a lower level owing mainly to the cessation of war production. The index of the physical volume of business averaged 216.7 against 238.1, a decline of nine per cent. Employment receded to a lesser extent, the index of 182.7 in the first 10 months of 1944 receding to 175.7 in the period under review. The decline was 3.8 per cent, the comparison with the same months of 1944 having been less favorable in the recent period.

Wholesale prices were slightly more than maintained during the present year, the index rising from 102.6 to 103.1. High-grade bond prices were strong, rising to a new high position. The sum of the notice and demand deposits rose more than 14 per cent over the first nine months of 1944. Cheques cashed in clearing centres amounted to \$53,700,000,000 in the first 10 months of 1945, the advance having been 9.8 per cent. The upward trend of common stock prices in evidence since mid-year 1942 was continued during the present year. The index of common stocks rose 17.2 per cent, averaging 97.6 during the first 10 months of the present year.

The volume of Canadian production depends upon expenditures of different classes. In this connection, construction contracts awarded rose from \$279,200,000 in the first 11 months of 1944 to \$383,200,000 during the same period of the present year, a gain of no less than 37 per cent. Employment in the construction industry, however, showed a gain of only 3.4 per cent suggesting that contracts in large amount have been placed without a great deal of actual work having been performed.

Production of steel ingots and castings, suggestive of the production of munitions and producers' durable goods receded from 2,517,000 tons in the first 10 months of last year to 2,454,000, a decline of 2.5 per cent. The output of pig iron showed a decline of 3.7 per cent in the same comparison, the output in the first 10 months of the present year having been 1,508,000 tons. The index of employment in plants manufacturing durable goods was 108.1 on October 1 of the present year against 146.7 in the same month of 1944, indicating a considerable decline in the activities of heavy goods industries, especially in the manufacture of munitions. Some progress has been made toward reconversion to peace-time production but the high level of activity in war plants last year has not been counterbalanced.

The level of production in Canada is dependent to a certain extent upon the expenditures of people in other countries. Merchandise exports recorded a decline of about 3.7 per cent in the first 10 months of the present year from the same period of 1944. As the imports showed a somewhat greater decline, an increase was shown in the active balance of trade. Net exports of non-monetary gold receded from \$93,700,000 to \$80,000,000, a decline of 14.6 per cent.

The retail distribution of commodities constitutes one of the most important outlets for Canadian production. Retail sales rose 8.1 per cent over the first 10 months of 1944, retail prices having shown only a minor advance. Aggregate wholesale sales for the first 10 months were 10 per cent greater than the volume of trading realized in the same period of 1944. The margin of increase in department store sales in October over the same month of 1944 was 15 per cent. The average for the first 10 months of the year gained 11 per cent over the same period of 1944.

The expenditures of the Dominion Government from April to October, inclusive, receded from \$3,030,000,000 in 1944 to \$2,495,000,000 in the present year. The ordinary expenditures rose 51.5 per cent to \$577,000,000 in the first seven months of the present fiscal year over the same period of 1944. War expenditures naturally showed a considerable decline, receding from \$1,985,000,000 to \$1,193,000,000.

The index number of aggregate payrolls was 137.7 in the week of October 1 of this year against 149.9 in the same week of 1944. The index has shown a decline from the same periods of 1944 consistently throughout the elapsed portion of the year.

Estimate of Value of Field Crops

The gross value of principal field crops produced on Canadian farms in 1945 is estimated by the Dominion Bureau of Statistics at \$1,098,859,000. This is the lowest gross value recorded since 1941 but is still almost double the 1935-1939 pre-war average of \$583,260,000. It represents a decrease of \$222,442,000 from the 1944 revised estimates. Most of this decrease is due to smaller production, particularly in grain crops in the Prairie Provinces.

The 1945 wheat crop is valued at \$326,800,000, which is \$133,600,000 less than the revised 1944 value of \$460,400,000. This is a reflection of the drought conditions which prevailed in Saskatchewan and Alberta during the past summer. Likewise the other principal grain crops, oats, barley, rye and flaxseed, all show appreciable declines in value from the 1944 figures as a result of reduced production. On the other hand, only slight reductions are indicated for the potato and root crops, somewhat lower production in these cases being offset by increased prices. The 1945 hay and clover and alfalfa crops, as a result of increased production, are also estimated at higher values than in 1944.

Compared on a provincial basis, the most significant change in the gross value of field crop production occurred in Saskatchewan, where the total decrease in the value of the 1945 crops amounted to \$153,700,000, representing a reduction of 34 per cent from the 1944 value. With a reduction in total value amounting to \$60,800,000, the province of Alberta records a decline of 26 per cent in the estimated gross value for 1945. As the drought did not extend into the province of Manitoba on a large scale, the reduction in the estimate for that province in 1945 is only eight per cent, or \$12,200,000.

Reductions in value are also shown for the provinces of Quebec, Nova Scotia and New Brunswick. The reductions in Quebec are principally in the values of the potato, turnip and sugar beet crops. In the case of the latter crop, some upward change in total value may occur when final figures for 1945 are compiled. Declines in the values of the grain and root crops are responsible for the decrease in the 1945 estimates for Nova Scotia. In New Brunswick an appreciable reduction occurred in the value of the 1945 potato crop with other significant reductions being shown in the values of the grain crops.

The only provinces showing increases in estimated values for 1945 are Ontario, British Columbia and Prince Edward Island. In Ontario the increases occur chiefly in potatoes, hay and clover and alfalfa. These increases are sufficient to more than offset the slight decreases in the principal grain crops. On the other hand the British Columbia estimates for 1945 are higher due to higher estimates for grain crops as well as an increase in potatoes and in hay and clover. In Prince Edward Island the increase of three per cent in 1945 is due to an increase in the value of the 1945 potato crop which is not offset by reductions in the estimates for a number of other field crops.

By provinces, in order of magnitude, the total values of 1945 crops are as follows, with the 1944 figures in brackets: Saskatchewan, \$295,223,000 (\$448,894,000); Ontario, \$230,264,000 (\$219,237,000); Alberta, \$177,061,000 (\$237,869,000); Quebec, \$161,776,000 (\$164,983,000); Manitoba, \$136,814,000 (\$149,019,000); New Brunswick, \$34,138,000 (\$37,978,000); British Columbia, \$24,168,000 (\$23,082,000); Nova Scotia, \$20,660,000 (\$21,998,000); Prince Edward Island, \$18,755,000 (\$18,248,000).

The 1945 total value of field crops of \$1,098,859,000, is made up of the following items, with the 1944 values within brackets: wheat, \$326,800,000 (\$460,417,000); oats, \$200,781,000 (\$268,217,000); barley, \$106,333,000 (\$132,191,000); rye, \$7,328,000 (\$8,170,000); peas, \$3,293,000 (\$3,265,000); beans, \$3,497,000 (\$3,762,000); buckwheat, \$4,286,000 (\$4,667,000); mixed grains, \$30,784,000 (\$34,300,000); flaxseed, \$18,131,000 (\$24,360,000); shelled corn, \$10,774,000 (\$11,557,000); potatoes, \$72,680,000 (75,467,000); turnips, etc., \$24,202,000 (\$27,670,000); hay and clover, \$216,847,000 (\$192,837,000); alfalfa, \$47,064,000 (\$42,773,000); fodder corn, \$14,925,000 (\$17,500,000); grain hay, \$5,986,000 (\$7,905,000); sugar beets, \$5,148,000 initial payment (\$6,250,000).

Stocks and Marketings of Wheat and Coarse Grains

Stocks of Canadian wheat in store or in transit in North America at midnight on December 6 totalled 200,688,555 bushels as compared with 368,736,292 on the corresponding date of last year, a reduction of 45.6 per cent. Visible stocks on the latest date included 164,719,074 bushels in Canadian positions as compared with 331,820,022 a year ago, and in United States positions, 35,969,481 bushels as compared with 36,916,270.

Deliveries of wheat from farms in the Prairie Provinces during the week ended December 6 amounted to 4,895,111 bushels as compared with 4,504,852 in the preceding week. During the elapsed portion of the present crop year which commenced August 1, marketings of wheat totalled 160,484,440 bushels as compared with 197,476,734 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, totals for the preceding week being in brackets: oats, 1,581,573 (1,054,400) bushels; barley, 1,045,926 (1,048,972); rye, 30,635 (43,946); flaxseed, 65,283 (52,970).

Food Stocks in Storage on December 1

Stocks of creamery butter in storage and in transit on December 1 were reported at 51,799,171 pounds, recording a seasonal decline from last month's total of 65,105,216 pounds, but only a small reduction from last year's figure of 52,572,117 pounds, according to figures released by the Dominion Bureau of Statistics. Cheese stocks on December 1 this year amounted to 45,606,198 pounds as compared with 54,924,095 on November 1, and 48,447,114 pounds on the corresponding date of last year.

Evaporated whole-milk stocks on December 1 this year totalled 24,250,252 pounds as compared with 33,175,075 on November 1, and 33,658,979 pounds on December 1, 1944. Stocks of skim-milk powder, the chief by-product, amounted to 2,794,572 pounds as compared with 4,600,176 pounds on November 1, and 3,266,377 pounds a year ago. December 1 stocks of shell eggs totalled 528,266 dozen, a decided decrease from last month's total of 5,488,199 dozen, and less than a third of last year's holdings of 1,855,714 dozen. Frozen egg meats amounted to 11,246,751 pounds, a reduction of almost eight million pounds from the November 1 stocks of 22,097,572 pounds, and a decrease of approximately 24 million pounds from the December 1944 total of 37,840,124 pounds. The all-Canada wholesale stocks of poultry recorded a seasonal increase to 15,205,623 pounds on December 1, from 9,848,086 on November 1, but the holdings were three million pounds lower than the December 1, 1944, total of 18,659,340 pounds.

Storage holdings of all meat on December 1 aggregated 87,463,524 pounds, an increase from last month of about 11 million pounds, but a decrease of three million pounds from the December 1, 1944, holdings of 90,851,302 pounds. Of this year's December 1 stocks, pork amounted to 30,196,318 pounds, an increase over last month when the stocks were 27,603,233 pounds, but still a decrease from last year's holdings when the total was 47,495,409 pounds. Beef stocks were also up from both last month and last year, the respective figures being 42,023,281 pounds, 35,882,306 pounds at November 1, and 30,723,787 on December 1, 1944. Veal stocks also increased, amounting to 7,680,168 pounds as compared with 6,883,427 on November 1 and 6,504,833 pounds. Holdings of mutton and lamb advanced to 7,563,757 pounds from 6,281,000 on November 1, and 6,127,273 on December 1, 1944.

Stocks of lard on December 1 were very low, being only 717,813 pounds as compared with 750,686 on November 1, and 4,488,196 on the corresponding date of last year. While edible tallow stocks were higher than on November 1, there was a decided decrease from the holdings of December 1, 1944; stocks on December 1 this year were 1,852,687 pounds as compared with 1,702,998 on November 1, and 4,585,182 pounds on December 1, 1944.

The stocks of frozen fish were lower on December 1. Figures just released show there were 35,093,361 pounds in store on December 1 this year, as compared with 40,237,909 pounds on November 1, and 38,741,573 pounds last year. Of the current holdings, cod totalled 5,609,536 pounds, haddock 482,761 pounds, salmon 10,894,513 pounds, sea herring, including kippers, 5,138,108 pounds.

Apple stocks are now shown for this season in storages and in the hands of commercial growers. Reports from Dominion Government Inspectors recorded a total of 2,609,271 bushels on December 1 as compared with 7,864,977 bushels a year ago. Stocks of Canadian pears on hand on December 1 totalled 23,465 bushels, and of imported varieties 23,143 bushels. Potato holdings on December 1 showed a total of 296,213 tons as compared with 412,402 tons on December 1, 1944.

Output of Dairy Products in November

Creamery butter production registered a pronounced decline in November when the total was approximately 14,400,000 pounds as compared with 16,500,000 pounds in the same month of the preceding year, a decline of about 13 per cent. During the 11-month period of 1945, the total production amounted to 282,688,000 pounds as against 285,891,000

pounds in the January to November period of 1944. This represents a reduction of approximately one per cent. A shrinkage in milk production, due to winter storms and sub-zero weather in the Prairie Provinces, coupled with a continued demand for fluid milk products, had an important bearing on this situation.

Cheddar cheese production dropped to 6,860,000 pounds in November, which represented a reduction of approximately 27 per cent in comparison with the output of the same month of the preceding year which amounted to 9,369,000 pounds. The cumulative figures for the 11-month period showed a total 177,709,000 pounds as compared with 173,872,000 pounds in the same period of 1944, an increase of two per cent. Closing of cheese factories and the removal of restrictions on milk deliveries announced a month ago, were the two factors principally responsible for this development. The reduction in the milk supply, however, must also be considered in this connection.

Ice cream manufactured in November fell to 784,000 gallons, a decline of over seven per cent; and the total to date was 16,287,000 gallons as compared with 17,000,000 gallons in the January to November period of 1944. This represented a decline of approximately five per cent.

Concentrated milk production also fell to lower levels, the November output being 14,440,000 pounds, or approximately 10 per cent less than that produced during the same month of a year ago. The January to November production was 282,383,000 pounds or eight per cent more than that of the corresponding period of 1944. The November production of whole-milk products was 11,900,000 pounds, and milk by-products 2,500,000 pounds, representing reductions of 10 per cent and seven per cent, respectively; and the cumulative figures were 230,000,000 pounds of whole milk products, and 52,000,000 pounds of milk by-products, representing a 6 per cent increase in the former, and a 21 per cent increase in the latter. Evaporated whole-milk production fell to 8,993,000 pounds, a reduction of 14.5 per cent, and skim milk powder dropped to 1,600,000 pounds, a decline of 11.5 per cent. The cumulative figures for these two products were 189,900,000 pounds and 34,150,000 pounds, respectively, representing increases of 11 per cent and 20 per cent in the order mentioned.

Milk production in October registered a further decline, the total supply of 1,466,502,000 pounds, being approximately $1\frac{1}{2}$ per cent less than that produced in the same month of the preceding year. This makes the January to October production 15,541,110,000 pounds, or one-half of one per cent less than that produced in the same period of the preceding year. Short pasture crops in the West and a reduced period for Fall grazing were important factors in this connection.

Stocks of Canned Fruits and Vegetables on October 1

Stocks of canned fruits and vegetables held by canners, wholesale dealers and chain store warehouses on October 1 were lower than on the corresponding date of last year, according to figures released by the Dominion Bureau of Statistics. Stocks of canned fruits on October 1 this year totalled 1,490,972 dozen cans as compared with 1,921,730 a year ago, and of canned vegetables 10,569,884 dozen cans as compared with 14,206,613 dozen.

Reductions were recorded in the stocks of most of the principal varieties of canned fruits on October 1, totals being as follows in dozen cans, with those for October 1, 1944, in brackets: peaches, 774,743 (948,730); plums, 367,411 (429,386); pears, 120,665 (122,757); cherries, 72,254 (145,884); apricots, 60,515 (145,816); raspberries, 21,089 (27,650); fruit cocktail and fruits for salad, 15,012 (12,314); apples, 14,489 (12,476); pineapple, 7,112 (5,703); rhubarb, 5,994 (23,634); loganberries, 4,449 (25); grapefruit, 2,911 (9,054); blueberries, 1,964 (7,904).

Stocks of most of the leading varieties of canned vegetables were also lower on October 1 this year than on the corresponding date of last year. Stocks were as follows on October 1, in dozen cans, totals for the same date last year being in brackets: peas, 4,074,639 (4,695,941); tomatoes, 2,210,772 (3,411,866); green or wax beans, 1,771,671 (1,902,795); corn, 1,553,791 (3,135,276); pumpkin, 228,988 (162,280); baked beans, 181,074 (330,726); mixed vegetables, 108,383 (117,235); carrots and peas combined, 112,832 (17,866); asparagus, 89,772 (139,174); beets, 55,131 (105,766); carrots, 52,529 (55,664); spinach, 48,605 (71,554).

Stocks of other canned products on October 1 this year were as follows, totals for October 1, 1944, being in brackets: infant foods, 619,328 (185,847) dozen; infant foods, vegetables, 854,432 (833,961) dozen; soups, 3,700,304 (4,585,938) dozen; tomato juice, 2,944,346 (5,047,311) dozen; tomato catsup, 919,330 (1,411,681) dozen;

tomato pulp, paste and puree, 314,839 (313,266) dozen; jams, 238,716 (235,876) dozen; jellies, 22,955 (23,197) dozen; marmalades, 99,449 (153,661) dozen.

Manufacturing Industries of Prairie Provinces

Under the impetus of war production, the manufacturing industries of the Prairie Provinces in 1943 continued to advance to new high levels, the gross value of production amounting to \$668,150,414, an increase of 19.8 per cent over the preceding year. Of the increase in the gross value, the slaughtering and meat packing industry accounted for \$54,001,830, flour and feed mills \$17,206,359, miscellaneous iron and steel products \$7,600,876, and butter and cheese \$5,028,967. These four industries contributed about 76 per cent of the total increase in production.

Establishments reporting in 1943 numbered 3,354 with a capital investment in fixed and current assets of \$346,109,019. These plants furnished employment to 69,299 persons who received \$99,782,060 in salaries and wages. In 1942 the capital investment was \$322,317,287, and employment was provided for 65,717 persons with salary and wage payments aggregating \$88,140,817.

From the standpoint of gross value of production, slaughtering and meat packing again led all industries in 1943 with an output valued at \$213,029,871. This was followed by flour and feed mills with \$61,866,161, butter and cheese \$55,722,185, petroleum products \$39,919,567, and railway rolling-stock \$21,558,745. These five industries accounted for about 60 per cent of the total production of the Prairie Provinces. Other leading industries, in the order named, were: bread and other bakery products, miscellaneous iron and steel products, sawmills, breweries, miscellaneous foods, men's factory clothing, etc.

The City of Winnipeg with an output of \$174,523,234 is the most important manufacturing centre. Edmonton with an output of \$82,896,502 was second, St. Boniface with \$73,140,799 third, and Calgary with \$70,849,587 fourth. Other important manufacturing centres, in the order named, are: Regina, Moose Jaw, Saskatoon, Transcona.

Fur Production of Canada

The rising demand for finished furs together with no general increase in numbers of furs taken has resulted in a further sharp increase in prices of pelts and in the total value of pelts taken in Canada. For the season ending June 30, 1944, the total value of raw fur production, comprising pelts taken by trappers and those sold from fur farms amounted to \$33,147,392, representing an increase of \$4,600,000 or 16 per cent over the previous high figure recorded in 1942-43. For some kinds of furs the numbers taken in 1943-44 were below those of the preceding period but unit values were, for the most part, higher.

Ontario maintained its position as the leading province from the standpoint of value of furs taken. The 1943-44 value for that province exceeded \$7,100,000 as compared with \$5,800,000 in 1942-43. The value of Quebec's production also increased, reaching \$6,100,000. Alberta ranked third with \$4,600,000. Values for all provinces except Nova Scotia and New Brunswick show increases over the preceding year. The value of pelts taken in the Yukon was higher but a decline occurred in the Northwest Territories as compared with 1942-43.

Pelts of mink continued to be the leading source of revenue to the industry and increased from \$5,800,000 to \$7,100,000. Approximately two-thirds of the mink pelts sold originated on fur ranches. The value of silver fox pelts, including new types, was second in importance at nearly \$5,200,000. The value of beaver pelts at \$4,800,000 exceeded muskrat in the year under review. Both numbers taken and average values for beaver pelts were substantially higher in 1943-44 than in 1942-43. The average value of pelts from beaver rose from \$29.96 in 1942-43 to \$37.02 in 1943-44. Average values for silver fox rose from \$24.84 to \$33.99, and red fox from \$12.50 to \$13.90 per pelt. Pelts taken from white fox increased in value from \$28.37 to \$32.83 and ermine pelts rose from an average of \$1.58 to \$2.17. The average value of muskrat pelts on the other hand, fell from \$2.74 to \$2.28.

The total number of skins taken declined from 7,418,971 in 1942-43 to 6,324,240 in 1943-44. The decline occurred largely in the number of rabbit and squirrel pelts. Numbers of beaver, ermine and skunk pelts increased considerably over those of the previous year.

Stocks of Unmanufactured Tobacco

Stocks of unmanufactured tobacco in Canada at the end of September this year were recorded at 91,779,981 pounds as compared with 92,683,293 on the corresponding date of last year, according to figures released by the Dominion Bureau of Statistics. Stocks of Canadian tobacco totalled 89,979,850 pounds as compared with 90,922,329 pounds a year ago, and imported tobacco 1,800,131 pounds as compared with 1,760,964.

Leather Glove and Mitten Industry

The value of products manufactured by firms included in the leather glove and mitten industry of Canada in 1944 was \$9,398,158, an increase of nine per cent over the total for the preceding year. Comprising the total value of goods produced in 1944 were leather gloves and mittens valued at \$8,635,918, miscellaneous goods valued at \$636,571, and the amount received for custom work the balance of \$125,669. There were 956,959 dozen pairs of gloves and mittens produced during the year, an increase of 63,918 dozen over 1943. The larger part of the production consisted of working gloves and mittens, with a total of 683,323 dozen pairs valued at \$4,774,365. The output of dress gloves amounted to 273,636 dozen pairs valued at \$3,861,553.

Car Loadings on Canadian Railways

Car loadings on Canadian railways for the week ended December 1 increased to 73,296 cars from 72,644 in the preceding week and 72,526 cars in the corresponding week of last year. In the eastern division there was little change in the totals of cars loaded as between 1945 and 1944. Automobiles, trucks and parts declined from 1,119 to 361 cars, while wood pulp and paper increased from 2,620 to 2,958 cars, and merchandise from 11,014 to 11,413 cars. In the western division, loadings increased from 27,633 cars in 1944 to 28,488. Coal increased from 3,305 to 4,102, and wood pulp and paper from 462 to 558 cars, but grain declined from 7,956 to 7,246 cars, and live stock from 2,292 to 2,098 cars.

Reports Issued Today

1. Canadian Grain Statistics - Weekly (10 cents).
 2. Economic Conditions During First 10 Months of 1945 (10 cents).
 3. Stocks of Dairy and Poultry Products, December 1 (10 cents).
 4. Cold Storage Holdings of Meat and Lard, December 1 (10 cents).
 5. Cold Storage Holdings of Fish, December 1 (10 cents).
 6. Stocks of Fruit and Vegetables, December 1 (10 cents).
 7. Dairy Review of Canada, November (10 cents).
 8. Fur Production of Canada, 1943-44 (25 cents).
 9. First Estimate of Value of Field Crops (10 cents).
 10. Manufacturing Industries of the Prairie Provinces, 1943 (25 cents).
 11. Leather Glove and Mitten Industry, 1944 (20 cents).
 12. Car Loadings on Canadian Railways - Weekly (10 cents).
 13. Stocks of Unmanufactured Tobacco, September 30, 1945 (10 cents).
 14. Stocks of Canned Fruits and Vegetables on Hand, October 1, 1945 (10 cents).
 15. Quarterly Bulletin of Agricultural Statistics, September (25 cents).
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