

Economic Conditions During
First Two Months of 1946

The average of six major factors indicating the trend of economic conditions was higher in the first two months of the present year than in any other period in history. The deposit liabilities of the banks reached a particularly high level in the early months of the year. The yield on Dominion bonds receded to a lower point than at any other time, the price of high-grade bonds consequently rising sharply. The rise in the index of wholesale prices was of relatively minor proportions, the index showing a gain of 1.4 per cent. On the other hand the index number of the physical volume of business receded to a lower position in continuance of the downward trend since the early months of 1944. This index, on the base of 1935-1939 was 188.3 against 222.7 in the same period of last year, a decline of 15.4 per cent.

Considerable variation was shown in the first two months of the present year from the same period of 1945 in regard to different classes of expenditures, upon which the levels of employment and economic activity depend. The decline in the export trade and in government expenditures contrasts with the more active conditions in the construction industry and in commodity distribution through retail and wholesale outlets.

The placement of contracts with the construction industry and the issue of building permits rose to high levels in the early months of the year. A lag is shown between the value of projects contracted for and the actual operations of the industry. While the awards rose 145 per cent over the first two months of 1945 and building permits in 58 municipalities were 137 per cent greater, it is observed that employment in the construction industry was only 11.8 per cent above the levels of one year ago. Employment in building projects rose 42.5 per cent, but the gain was far less than in the new business obtained by the industry.

The operations of the iron and steel industry reflect the influence of the demand for munitions and producers of durable goods. Steel and pig iron production showed a moderate decline from the high levels of the first two months of 1945. The present standing suggests strong demand for iron and steel for purposes of reconversion and industrial expansion. The cancellation of orders for munitions and war supplies has resulted in decline, but the demand for other purposes has tended to counterbalance the reaction. The index of employment in industries engaged in the production of durable goods showed a large decline. The index in the first two months of the present year averaged 187, a decline of 25.6 per cent. As the increase in retail prices has been of a moderate character during the last 12 months, the index of sales by retail and wholesale outlets are suggestive of the considerable increase in the volume of goods distributed to consumers. The index of retail sales rose from 143 to 160, a gain of 12 per cent, while wholesale sales in January were 19 per cent above the levels of the same month one year ago.

Despite the financial assistance granted to a number of countries, the export trade in the first two months of the year receded to a considerably lower level than in the same period of 1945. The reduction in the export of war supplies has not been counterbalanced by increases in goods for civilian consumption. The total in the first two months of 1946 was \$346 million, a decline of 27 per cent from the same period of last year. Minor change, on the other hand, was shown in imports leading to a considerable reduction in the active balance of trade. The net export of non-monetary gold recorded an increase from \$17.1 million to \$18.8 million.

Stocks and Marketings of Wheat and Coarse Grains

A seven-year low in the visible supply of Canadian wheat was reached on April 4, the total being 98,697,840 bushels as compared with 340,190,299 bushels on the corresponding date of last year, a decline of 71 per cent, according to figures issued by the Dominion Bureau of Statistics. A lower figure for this date was last recorded in 1938, when the total was 44,444,000 bushels.

The stocks of wheat in Canadian positions on the latest date amounted to 96,931,560 bushels as compared with 320,069,799 bushels on the same date of last year, and in United States positions, 1,716,280 bushels as compared with 20,120,500 bushels.

Deliveries of wheat from farms in the Prairie Provinces during the week ended April 4 amounted to 1,109,589 bushels as compared with 1,032,930 bushels in the preceding week. During the elapsed portion of the present crop year which commenced August 1 1945, marketings of wheat in western Canada aggregated 195,427,963 bushels as compared with 274,626,155 bushels in the similar period of 1944-45.

The following quantities of coarse grains were also delivered from farms in the Prairie Provinces during the week ended April 4, totals for the preceding week being in brackets: oats, 617,659 (890,096) bushels; barley, 192,200 (202,666); rye, 4,352 (6,905); flaxseed, 6,826 (12,262).

Production of Wheat Flour in February

Wheat flour production in February amounted to 2,145,675 barrels as compared with 1,892,435 in the corresponding month of last year, according to figures released by the Dominion Bureau of Statistics. Production for the first seven months of the current crop year has not dropped below two million barrels in any single month, and the aggregate for the period amounted to 15,133,864 barrels as compared with 14,333,799 in the similar period of 1944-45.

Wheat used in the manufacture of flour in February amounted to 9,518,921 bushels as compared with 8,396,081 in the same month of 1945. Total wheat milled during the seven months ended February was 67,866,290 bushels as compared with 63,632,025 bushels for the same period of 1944-45. The following quantities of coarse grains were also ground in February, totals for February 1945 being in brackets: oats, 2,244,149 (2,043,212); corn, 205,930 (131,177); barley, 597,813 (661,772); mixed grain, 2,292,323 (2,227,308).

Stocks of Dairy and Poultry Products on April 1

A further decline was recorded in the stocks of creamery butter held in cold storages and dairy factories at the opening of business on April 1, according to figures issued by the Dominion Bureau of Statistics. April 1 holdings amounted to 5,320,054 pounds as compared with 9,883,581 pounds on March 1, and 13,544,252 pounds on the corresponding date of last year. The 5-year average for April 1 was 11,434,000 pounds.

Storage holdings of cheese on April 1 this year totalled 18,516,443 pounds as compared with 20,103,694 pounds on March 1, and 21,484,040 pounds on April 1, 1945. Holdings of evaporated whole milk by manufacturers were higher than on March 1, but were approximately 50 per cent lower than on the corresponding date of last year. April 1 stocks were 10,436,766 pounds as compared with 6,963,176 pounds on March 1, and 20,031,158 pounds on April 1, 1945.

Storage holdings of shell eggs on April 1 amounted to 5,256,370 dozen as compared with 2,447,555 dozen on March 1, and 5,917,775 dozen on April 1, 1945. Stocks of frozen egg meats were lower in both comparisons, the total being 3,869,461 pounds as compared with 4,500,751 pounds on March 1, and 11,748,271 pounds a year ago. Stocks of poultry moved lower, the total being 6,486,208 pounds as compared with 9,340,234 pounds on March 1, and 10,983,666 pounds on April 1, 1945.

Dairy Supply Position

The creamery butter make suffered a further set-back in March, the total being 11,813,000 pounds as compared with 14,693,000 pounds in the corresponding month of last year, a decline of nearly 20 per cent, according to figures released by the Dominion Bureau of Statistics. All provinces showed reductions except Quebec where factories formerly engaged in cheese production are now making butter. The most substantial decreases were recorded in the three Prairie Provinces where the retreat from dairying is becoming more and more evident. For the first three months of the year, the cumulative production amounted to 30,084,000 pounds, a decline of approximately 6½ million pounds or 18 per cent less than that produced in the January-March period of 1945.

Cheddar cheese production in March amounted to 2,513,000 pounds, representing a decline of nearly 400,000 pounds or 35 per cent in comparison with the same month of the previous year. Production for the first three months was 5,653,000 pounds, being a reduction of approximately one-third as compared with the January-March output of 1945. All provinces shared in the declines indicated, except Prince Edward Island and New Brunswick where the make is comparatively small.

Ice cream manufactured in March fell to 751,000 gallons, a decline of 14 per cent; and the January to March output was reduced to 2,180,000 gallons, representing a decrease of approximately 11 per cent as compared with the same period a year ago. Concentrated milk products shared in the general reduction in dairy manufacture, but to a slightly smaller extent than that of butter or cheese; the 20,805,000 pounds manufactured in March being only three per cent less than that of a year ago. The cumulative output was 44,370,000 pounds, or nine per cent less than that produced in the January-March period of 1945.

Income from dairy products sold off farms in the month of January, including bonuses and subsidies, reached a total of \$14,742,000 as compared with approximately \$15,000,000 in the same month of the previous year. Of this amount, fluid sales represented \$9,686,000 as compared with \$8,927,000 in January, 1945.

Consumption of Meats in 1945

Preliminary estimates indicate that the civilian consumption per capita of all meats declined sharply in 1945, according to figures released by the Dominion Bureau of Statistics. Total civilian consumption is estimated at 136.5 pounds per capita in 1945 as compared with 149.8 pounds in 1944. Nearly all of the reduction is attributable to a decline in pork consumption, which for 1945 is 10.6 pounds lower than the 1944 figure of 61.4 pounds per capita.

While the 1945 per capita consumption is down sharply from previous years, it is still considerably above the pre-war average, being over 18 pounds greater than the 1935-1939 average. The decline in consumption is partly a result of the re-introduction of meat rationing in September, 1945. Lard consumption in 1945, estimated at 5.9 pounds per capita for the civilian population is 2.4 pounds lower than the estimate for the previous year. However, the 1945 consumption is two pounds higher than the pre-war average of 3.9 pounds per capita, per annum.

Civilian consumption per capita of meats was as follows in 1945, totals for 1944 being in brackets: beef, 61.6 (62.4) pounds; veal, 12.1 (11.0); mutton and lamb, 4.9 (4.8); pork, 50.8 (61.4); offals, 4.4 (7.4); canned meats - carcass equivalent, 2.7 (2.8).

Estimate of Canada's Mineral Production

Canada's mineral production was valued at \$479,568,000 in 1945, according to the annual preliminary report issued by the Dominion Bureau of Statistics, a decrease of about one per cent from 1944. Taken by groups, the aggregate value of metals production decreased \$9,000,000, fuels were down nearly \$2,000,000, but the industrial minerals, such as asbestos, gypsum, barytes, etc., increased \$1,000,000, and the structural materials group was up \$4,000,000.

Copper Production and Exports in January

Canadian production of new copper in January amounted to 32,021,065 pounds as compared with 34,930,910 pounds in December 1945, and 44,381,428 pounds in January 1945, according to figures released by the Dominion Bureau of Statistics. Output of refined copper for the month totalled 28,532,786 pounds. Exports of copper in ore, concentrates and matte during January amounted to 2,668,000 pounds valued at \$186,060, and of copper ingots, bars, slabs and billets to 24,842,200 pounds valued at \$3,199,017.

Nickel Production and Exports in January

Nickel production in Canada was recorded at 13,823,097 pounds for the month of January as compared with 15,276,195 pounds for the preceding month and 23,770,268 pounds for the corresponding month of 1945, according to figures issued by the Dominion Bureau of Statistics. Exports of nickel (all forms) in January totalled 11,526,000 pounds valued at \$2,995,776.

Production of Electric Refrigerators

Production of domestic type electric refrigerators amounted to 3,295 units in February as compared with 2,384 units in January, according to figures issued by the Dominion Bureau of Statistics. Imports of complete electric refrigerators of all types in February numbered 290 units valued at \$29,609 as against 201 units at \$21,159 in the preceding month.

Mine Shipments of Asbestos in January

Shipments of primary asbestos from Canadian mines during January totalled 36,511 short tons, according to figures issued by the Dominion Bureau of Statistics. Actual mine production amounted to 36,863 short tons.

Production of Iron and Steel in February

Production of pig iron in February amounted to 143,171 net tons as compared with 149,487 in the corresponding month of last year, according to figures released by the Dominion Bureau of Statistics. Output of steel ingots and steel castings totalled 233,893 tons as compared with 250,464, and of ferro-alloys 10,872 tons as compared with 13,402 tons.

Claims for Unemployment Insurance Benefit

Fewer claims for unemployment insurance benefit were filed in local offices of the Unemployment Insurance Commission during February than in the preceding month, according to figures released by the Dominion Bureau of Statistics. This was the first decline shown since October, 1945. Claims registered in February numbered 59,098 as compared with 71,932 in January and 14,990 in February, 1945. This would indicate that the number of cases of unemployment occurring in a period is beginning to fall off.

The number of live claims at the end of February increased by 16,045 over the figure for the end of January. Totals of live claims were 161,997 for February, 145,952 for January and 29,692 for February, 1945. It would seem, therefore, that in spite of the reduction in cases of unemployment, those already unemployed are not securing employment any more easily than in the past few months.

During February, 62,717 claims were adjudicated at insurance offices, 49,464 being considered entitled to benefit and 13,253 not entitled to benefit. A total of 139,222 persons received one or more benefit payments aggregating \$5,902,879 for 2,901,809 compensated unemployed days during February. This compares with 102,713 persons paid \$4,493,252 for 2,193,317 days in January and 23,062 persons paid \$822,490 for 422,873 days during February, 1945.

The average duration of the unemployment compensated per beneficiary was 20.6 days in February, 21.4 days in January and 18.3 days in February of last year. The average amount of benefit paid per beneficiary was \$42.40 in February, \$43.74 in January and \$35.66 in February, 1945. The average amount of benefit paid per compensated day of unemployment was \$2.03 in February, \$2.05 in January and \$1.95 in February, 1945.

Weekly Earnings of Male and Female Employees Engaged in Manufacturing Industries in 1944

Average weekly earnings of male wage-earners employed in the manufacturing industries of Canada amounted to \$34.94 in January 1944, an increase of .1 per cent over 1940, and a gain of 57 per cent over 1939, according to figures issued by the Dominion Bureau of Statistics. The advance is reflected in a drop in the number of employees receiving under \$20 per week and a corresponding increase in the number receiving \$40 per week or over. Of the male wage-earners, 35.3 per cent received under \$20 per week in 1940 as compared with 12 per cent in January 1944, while the number receiving over \$40 jumped from 9.2 to 32.4 per cent.

Weekly earnings of female wage-earners averaged \$20.17 in January 1944 as compared with \$13.49 in 1940, an increase of 49 per cent. In this category too the numbers in the lower income groups declined, while those in the upper brackets advanced. Thus the number receiving under \$10 per week dropped from 23.2 per cent in 1940 to 10.2 per cent in 1944, while those receiving over \$30 per week advanced from 0.3 to 12.3 per cent.

Male salaried workers averaged \$46.24 per week in 1944 as compared with \$34.94 for male wage-earners. A comparison of weekly earnings of salaried workers cannot be made as this information was not collected in previous years. Female salaried employees averaged \$23.79 per week as compared with \$20.17 for female wage-earners. Thus weekly earnings of male office workers averaged \$11.30 higher than that paid to male factory workers, while in the case of females, office workers averaged only \$3.62 per week more than that paid to female factory workers.

Man-Hours and Hourly Earnings

Recovery in employment was indicated in manufacturing establishments at February 1 as compared with January 1, when the situation was seriously affected by the year-end holidays and other seasonal factors; the aggregate and average hours worked were also considerably higher, resulting in substantial increases in the aggregate and average earnings of hourly-rated wage-earners. Data were tabulated from 6,065 employers with a staff of 702,678 men and women paid at hourly rates. The hours worked by these persons in the week of February 1 totalled 30,892,763, for which they were paid the sum of \$21,028,123. The hours averaged 44 and the earnings, 68.1 cents per hour, or \$29.96 in the week.

At January 1, the same firms reported 687,280 hourly-rated wage-earners, who had received \$17,733,878 for services rendered in 26,209,641 hours; the latter had averaged 38.1 per worker and the earnings, 67.9 cents per hour, or \$25.87 in the holiday week. Thus in the period under review there was an increase of 2.2 per cent in the number of employees, of 17.9 per cent in the aggregate hours paid for, and of 18.2 per cent in the total wages of the hourly-rated personnel on the staffs of these manufacturers. These percentage increases were quite similar to those reported at February 1, 1945, as compared with January 1.

Trends in Food Distribution

Wholesale grocery sales transacted in February increased 11 per cent over the volume of dollar sales in February of last year, according to the monthly survey conducted by the Dominion Bureau of Statistics. February sales of chain store units operating in the food retailing field were nine per cent higher, while sales of independent retail food stores recorded a similar advance.

Indexes of Retail Sales in February

Consumer purchasing continued at a high level in February and Canadian retail merchants reported sales 14 per cent greater than in February 1945, according to the monthly survey conducted by the Dominion Bureau of Statistics. Cumulative results indicated that a gain of 13 per cent had occurred in the first two months of this year compared with the similar period of 1945. Unadjusted indexes of sales, relative to the average monthly sales figure in the base period, 1935 to 1939, stood at 167.0 for February 1946, 146.7 for February 1945, and 160.2 for January, 1946.

Index Numbers of Wholesale Sales

February wholesale trading advanced 18 per cent this year over sales transacted in February 1945, according to figures released by the Dominion Bureau of Statistics. The composite index of sales on the base 1935-1939=100, stands at 210.9 for February 1946, 216.3 for January 1946, and 178.6 for February, 1945. Results on a regional basis revealed smaller gains in the eastern provinces than in the west. Sales increased nine per cent in the Maritime Provinces, 14 per cent in Quebec, 17 per cent in Ontario, 22 per cent in the Prairie Provinces, and 23 per cent in British Columbia.

New Dwelling Units in 1945

The number of dwelling units created by new building construction and by conversion or reconversion of existing buildings in 1945 is estimated at 46,960, according to a survey conducted by the Dominion Bureau of Statistics. Of this total, 41,032 or 87.4 per cent were created by new building construction, and 5,928 or 12.6 per cent by the conversion or reconversion of existing buildings.

On the basis of different types of new buildings, the greatest number of dwelling units were created by the construction of single dwellings. Second in importance were those created by conversions. The new dwelling units completed in 1945 included 31,970 in single dwellings, 1,784 in semi-detached or doubles, 235 in rows or terraces, 1,890 in duplexes, 1,044 in triplexes, 2,965 in apartments, 966 in buildings containing business premises and apartments or flats, 173 unclassified, and 5,928 conversions.

The economic and social significance underlying the development of suburban or metropolitan areas focusses attention on these localities. Although few cities escape it entirely, there are 12 principal cities in Canada in which this type of development is particularly prevalent. These 12 areas comprise 117 municipalities with an aggregate

population of 3,901,000, in which a total of 17,748 new dwelling units were completed in 1945, including 4,797 in Montreal, 3,458 in Toronto, 2,375 in Vancouver, 1,497 in Ottawa, 1,259 in Winnipeg, 1,054 in Quebec, 747 in Windsor, 650 in Victoria, 613 in Hamilton, 446 in London, 189 in Halifax, and 163 in St. John.

Registrations of Motor Vehicles in 1944

There was a minor decline of 0.6 per cent in the number of motor vehicles registered in Canada in 1944 as compared with the preceding year, according to figures released by the Dominion Bureau of Statistics. The total was 1,502,567 as compared with 1,511,845 in 1943. Passenger car registrations fell to 1,177,558 from 1,193,827, while commercial vehicles advanced to 309,964 from 301,622. There were fewer motor cycles registered, the total being 15,045 as compared with 16,396 in 1943.

Distilled Liquor Industry in 1944

Whiskies and other potable spirits produced in Canada during 1944 and put in bond for maturing totalled 8,502,038 proof gallons with an inventory value of \$4,925,320, while whiskies and other potable spirits sold during the year either bottled or in bulk totalled 6,347,403 proof gallons valued at \$31,615,382. Other important products were: unmatured alcohol, denatured, 8,896,616 proof gallons valued at \$4,767,514, and unmatured alcohol, not denatured 17,824,944 proof gallons valued at \$9,236,007. In order to avoid duplication, the prime cost of spirits produced in previous years and bottled or shipped in bulk during 1944, must be deducted from the value of production in order to arrive at the value of new products made by the industry in 1944.

Car Loadings on Canadian Railways

Car loadings on Canadian railways for the week ended March 30 declined to 69,480 cars from 71,104 cars for the preceding week, but were well above last year's loadings of 62,465 cars. The principal decreases from the previous week were in grain and coal, logs, poles and cordwood, pulp wood and wood pulp and paper.

Reports Issued During the Week

1. The Railway Rolling Stock Industry, 1944 (25 cents).
 2. Monthly Dairy Review of Canada, March (10 cents).
 3. Housing Statistics - Dwelling Units - Type of Buildings and Types of Construction, 1945 (25 cents).
 4. Medicinal and Pharmaceutical Preparations Industry, 1944 (25 cents).
 5. Indexes of Retail Sales, February (10 cents).
 6. The Highway and the Motor Vehicle, 1944 (25 cents).
 7. Indexes of Wholesale Sales, February (10 cents).
 8. Production of Iron and Steel, February (10 cents).
 9. Estimates of the Output and Slaughter of Meat Animals and Consumption of Meats in Canada, 1945 (10 cents).
 9. Current Trends in Food Distribution, February (10 cents).
 10. Man-Hours and Hourly Earnings, February 1 (10 cents).
 11. Mineral Production of Canada, 1945 (25 cents).
 12. Canadian Grain Statistics - Weekly (10 cents).
 13. Canadian Milling Statistics, February (10 cents).
 14. Car Loadings on Canadian Railways - Weekly (10 cents).
 15. Statistical Report on the Operation of the Unemployment Insurance Act, February (10 cents).
 16. Weekly Earnings of Employees Engaged in the Manufacturing Industries of Canada, January (25 cents).
 17. Asbestos, January (10 cents).
 18. Domestic Type Electric Refrigerators, February (10 cents).
 20. Canadian Grain Statistics - Weekly (10 cents).
 21. Copper and Nickel Production, January (10 cents).
 22. Distilled Liquor Industry, 1944 (25 cents).
 23. Economic Conditions During First Two Months of 1946 (25 cents).
 24. Stocks of Dairy and Poultry Products, April 1 (10 cents).
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