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Economic Conditions During First Eleven Months of 1945

The major factors indicating the trend of economic conditions were uneven in the first 11 months of 1945 compared with the preceding year. The average of six factors was higher last year than at any other time. The sum of the four classes of bank deposits rose to a new high position in history. The notice and demand deposits were 14.5 per cent greater than in the same period of the preceding year. Dominion bond prices were stronger in 1945. The index of bond yields receded from 97.1 to 95.4, indicating a considerable advance in high grade bond prices. Wholesale prices showed moderate advance in the year just ended. During the first 11 months the index averaged 103.1 against 102.5 in the preceding year, a gain of 0.6 per cent.

The year was characterized by a marked advance in common stock prices, the index rising 17.7 per cent. The index for the first 11 months of 1944 was 83.6, while for the same period of last year the standing was 98.4. The advance continued until the end of the year, the index standing at 113.3 in the week of December 27. The comparable index for December 1944 was 86.6.

Productive operations showed a declining trend in progress since the early months of 1944. The index of the physical volume of business was 9.7 per cent lower in the first 11 months of 1945 than in the same period of the preceding year, the index on the base of 1935-39 averaging 214.3.

It is anticipated that heavy expenditures will be incurred for construction, a heavy backlog having been established during the war period. Contracts awarded during 1945 amounted to \$409,000,000 against \$292,000,000 in the preceding year. This large volume of work, the greatest of any year since 1930, was contracted for despite difficulty in the supply of building materials and construction labour throughout the year. Materials and skilled labour continued in extremely short supply until the present time. Building permits in 58 municipalities rose 37.4 per cent in the first 11 months to \$123,000,000 against about \$89,500,000 in the same period of 1944.

The index of employment in the production of durable goods receded from 144.2 on November 1, 1944, to 104.6 on the same date of 1945. The considerable decline represents a reduction in activity in the heavy industries producing munitions and producers' goods.

The output of steel ingots was relatively well maintained at 2,662,000 short tons against 2,785,000, a decline of 4.4 per cent. The output of pig iron in the first 11 months showed a somewhat lower percentage decline.

An important proportion of Canadian manpower is dependent upon the volume of export trade which is contingent upon the expenditures of people in other countries. Exports during the first 11 months were 5.7 per cent lower than in the same period of the preceding year. The standing of domestic exports during November was \$239,000,000 against \$312,000,000 in the same month of 1944. The war materials were reduced from \$138,600,000 to about \$44,000,000 during the same period.

Department store sales in the first 11 months of 1945 were 11 per cent greater than in the same period of the preceding year. The seasonally adjusted index reached an unprecedented peak of 222.9 in November, the latest month for which statistics are available. Country store sales recorded an increase of 6.5 per cent over the first 11 months of 1944. The increase in November over the corresponding month of the preceding year was nine per cent. Retail sales during the first 10 months averaged 16.7 per cent greater than in the same period of 1944. The increase in wholesale sales in the same comparison was 8.9 per cent.

Dominion Government ordinary expenditures showed an increase of 51.5 per cent from April to October over the same period of the preceding fiscal year. War expenditures on the other hand receded 39.9 per cent, the total in the first seven months of the present fiscal year having been \$1,193,000,000. The increase in the United Nations Mutual Aid expenditures was 9.4 per cent.

Man-Hours and Hourly Earnings

There were further reductions at November 1, 1945, in the number of wage-earners employed at hourly rates in manufacturing, in the total hours worked by such persons in the week preceding, and in their aggregate hourly earnings; the downward movement continues the trend which has been in evidence since the early summer. Information was furnished by 6,134 plants with a staff of 720,116 hourly-rated wage-earners at the date under review. The hours worked in the week preceding totalled 32,342,397, for which the sum of \$21,852,891 was paid in wages. At October 1, the 727,805 workers employed at hourly rates by the co-operating manufacturers had put in an aggregate of 32,550,336 hours, for which they were paid \$22,054,950.

The decline in the number of wage-earners amounted to 1.1 per cent, that in the aggregate hours worked to 0.6 per cent, and that in the hourly wages to 0.9 per cent. The average hours per worker, on the other hand, showed a further slight increase, rising from 44.7 at October 1, to 44.9 in the week ending on or about the first of November. This gain was accompanied by a further fractional decrease in the average hourly earnings, which stood at 67.8 cents at October 1, and at 67.6 at November 1.

This reduction in the average hourly earnings in manufacturing as a whole during the month was the sixth in succession; continued and important changes in the industrial distribution of wage-earners during the period of conversion from wartime to peacetime production were largely responsible for the falling-off in the hourly average. Industrial disputes likewise continued a factor in the situation.

In the durable manufactured goods group, there was a loss of some 6,100 hourly-rated wage-earners, or 1.7 per cent, while the hours worked by the plants furnishing data in this category fell by 1.2 per cent, and the aggregate hourly earnings by 1.9 per cent. Largely as a result of seasonal curtailment in the food-processing division of the non-durable manufactured goods industries, there was a decrease of 0.4 per cent in the number of hourly-rated wage-earners in this division, accompanied by that of 0.1 per cent in the aggregate hours reported therein. On the other hand, the aggregate hourly earnings rose by 0.2 per cent. The average hours slightly increased from 44.5 in the week preceding October 1 to 44.6 in that preceding November 1, while the average hourly rate was higher by one-fifth of a cent.

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

Net sales of securities by Canada to other countries in October were \$12,500,000 as compared with \$6,600,000 in September and \$20,400,000 in August. Sales of \$6,400,000 United States stocks made up a larger part of the net capital inflow than usual. Net repurchases of securities from the United Kingdom were \$1,300,000, while sales to other countries amounted to \$100,000. During the first 10 months of 1945, net sales of securities to all countries were \$160,200,000 as compared with \$89,600,000 in the corresponding period of 1944.

Sales to all countries in October, 1945 were valued at \$28,700,000 as compared with \$19,600,000 in the preceding month and \$16,100,000 in October, 1944. Purchases from other countries totalled \$16,200,000 as compared with \$13,000,000 in September and \$7,900,000 in October, 1944. Sales during the first 10 months of 1945 aggregated \$307,400,000 as compared with \$181,400,000 in the similar period of 1944, while purchases totalled \$147,200,000 as compared with \$91,300,000.

Stocks and Marketings of Wheat and Coarse Grains

Stocks of Canadian wheat in store or in transit in North America at midnight on January 10 totalled 180,075,361 bushels as compared with 372,035,401 on the corresponding date of last year. Visible stocks on the latest date included 151,069,930 bushels in Canadian positions as compared with 330,212,884 a year ago, and in United States positions, 29,005,431 bushels as compared with 41,822,517.

Deliveries of wheat from farms in the Prairie Provinces during the week ended January 10 amounted to 4,681,840 bushels as compared with 2,108,312 in the preceding week. During the elapsed portion of the present crop year, which commenced August 1, 1945, wheat marketings totalled 175,619,282 bushels as compared with 228,233,268 in the preceding crop year.

The following quantities of coarse grains were also delivered from farms in the Prairie Provinces during the week ending January 10, totals for the preceding week being

in brackets: oats, 5,971,444 (1,341,934) bushels; barley, 839,441 (314,360); rye, 31,243 (3,389); flaxseed, 57,798 (10,896).

Stocks of Meat in Cold Storage on January 1

Stocks of meat in Canada on January 1, 1946, totalled 84,925,842 pounds as compared with 87,504,815 pounds on December 1, 1945, and 92,769,111 pounds on the corresponding date of last year, according to figures released by the Dominion Bureau of Statistics. Meat stocks showed an 'out-of-storage' movement of 2,100,000 pounds during the month of December, while a year ago there was an opposite movement of 1,900,000 pounds.

Stocks of Canadian pork on January 1 this year were 32,776,779 pounds, recording a slight increase over the preceding month, but a decline from the holdings of January 1, 1945, the respective stocks having been 30,460,771 pounds and 48,852,252 pounds. Beef in storage totalled 39,154,944 pounds as compared with 42,113,077 pounds on December 1, and 31,831,420 at January 1, 1945.

Veal stocks at January 1, 1946 amounted to 5,174,939 pounds as compared with 7,182,659 pounds on December 1, and 5,155,145 pounds on January 1, 1945, while stocks of mutton and lamb totalled 7,819,180 pounds as compared with 7,753,308 pounds on December 1, and 6,930,294 pounds a year ago. Lard stocks on January 1 this year were comparatively low, amounting to 843,610 pounds as compared with 813,364 pounds on December 1, and 4,961,445 pounds on January 1, 1945.

Cold Storage Holdings of Fish

Stocks of frozen fish in Canada on January 1 this year amounted to 29,861,894 pounds as compared with 34,573,190 pounds on December 1, 1945 and 29,966,145 pounds on January 1, 1945 according to figures released by the Dominion Bureau of Statistics. The amount frozen fresh was 28,147,704 pounds as compared with 33,017,335 pounds on December 1, and 27,943,587 pounds on January 1, 1945. Frozen smoked fish in store totalled 1,714,190 pounds as compared with 1,555,865 pounds on December 1, and 2,022,558 pounds a year ago.

Stocks of Fruit and Vegetables

Stocks of fruit, frozen and in preservatives, on January 1 this year totalled 24,627,660 pounds as compared with 26,260,285 pounds on December 1, 1945, and 27,916,519 pounds on January 1, 1945, according to figures released by the Dominion Bureau of Statistics.

Stocks of vegetables, frozen and in brine, amounted to 4,704,986 pounds as compared with 4,942,341 pounds on December 1, and 5,832,150 pounds on January 1, 1945. Stocks of Canadian-grown vegetables, including the holdings of commercial growers on January 1 this year were as follows: potatoes, 245,538 tons; onions, 11,293 tons; celery, 33,577 crates.

Index Numbers of Retail Sales in November

November sales of retail stores gained five per cent over October and averaged 12 per cent higher than in November 1944, according to indexes compiled by the Dominion Bureau of Statistics. The general index of sales, on the base 1935-1939=100, stands at 213.0 for November, 203.8 for October, and 190.4 for November, 1944.

The 12 per cent increase in retail sales in November 1945 over 1944 compares with an average gain of 8.5 per cent for the first 11 months of the year compared with the corresponding period of 1944. With the exception of women's specialty shops and furniture stores, November increases for all individual trades included in the survey exceeded those recorded in the cumulative period.

Production of Gold in October

Gold production in Canada in October 1945 amounted to 229,550 fine ounces as compared with 211,529 in the preceding month and 230,749 in October, 1944, according to figures issued by the Dominion Bureau of Statistics. The value of the October 1945 output was \$8,837,675. During the first 10 months of 1945, gold production totalled 2,190,746 fine ounces as compared with 2,469,481 in the similar period of 1944.

October output was recorded as follows, by areas, totals for the corresponding month of 1944 being in brackets: Nova Scotia, 295 (455) fine ounces; Quebec, 52,166 (57,163); Ontario, 135,597 (136,685); Manitoba and Saskatchewan, 16,132 (15,486); British Columbia, 16,541 (16,443); Yukon, 7,064 (4,495); Northwest Territories, 1,752 (nil) fine ounces.

Production of Coal and Coke in October

Coal production in Canada during October 1945 amounted to 1,194,386 tons, a decline of 22 per cent from the October 1944 output of 1,528,291 tons. The decrease in production was due largely to the prevalence of strikes in the coal mines of Alberta and British Columbia during the month. Production during the first 10 months of 1945 aggregated 13,138,022 tons as compared with 13,854,729 in the same period of 1944.

Production of coke in October was recorded at 310,000 tons as compared with 318,000 tons in September, and 331,000 tons in October, 1944. Output for the first 10 months of 1945 amounted to 3,266,000 tons as compared with 3,342,000 in the like period of 1944.

Imports of coal in October amounted to 2,661,949 tons as compared with 3,211,246 tons in October, 1944. Imports for the year to date totalled 20,355,205 tons as compared with 24,885,941 tons in the corresponding period of 1944. Coal exported during the month amounted to 74,778 tons as compared with 64,087 tons in October, 1944. Exports during the 10 months ended October totalled 710,315 tons as compared with 862,797 tons for the same period of 1944.

Sales of Manufactured and Natural Gas in November

Sales of manufactured gas by distributing companies totalled 2,074,729 M cubic feet in November 1945, as compared with 2,034,324 M in the same month of 1944. November sales of natural gas amounted to 3,430,246 M cubic feet as compared with 2,818,280 M.

Sales of Clay Products in October

Sales by producers of clay products made from domestic clays in October 1945 totalled \$953,041 as compared with \$829,324 in the preceding month and \$766,808 in October, 1944. Sales in October 1945 included the following: building brick, \$485,364; structural tile, \$119,697; drain tile, \$61,939; sewer pipe, \$121,025; fireclay blocks and shapes, \$17,394; pottery, \$90,139; other clay products, including floor tile, firebrick, etc., \$57,483.

Crude Petroleum Industry in 1944

Production of crude petroleum and natural gasoline in Canada during 1944 totalled 10,099,404 barrels valued at \$15,429,900 compared with 10,052,302 barrels worth \$16,470,417 in 1943, according to figures released by the Dominion Bureau of Statistics. Of the 1944 output, 8,727,366 barrels originated in Alberta; 1,223,675 barrels in Northwest Territories; 125,067 barrels in Ontario; and 23,296 barrels in New Brunswick. The net value of producers' sales of crude petroleum in Canada during 1944 was estimated at \$14,575,563.

Civil Aviation in September

Air carriers transported 50,155 passengers during September as compared with 56,083 in August, and 36,748 in September, 1944. Freight increased from 1,158,641 pounds in September 1944, to 1,485,254, and mail declined from 507,133 to 464,773 pounds. Revenues of Canadian carriers decreased from \$1,424,314 to \$1,423,000, and operating expenses were reduced from \$1,467,563 to \$1,426,929, reducing the net operating revenue debit from \$43,249 to \$3,929.

Trends in Food Distribution

November wholesale grocery sales were six per cent greater in 1945 than in 1944, but fell four per cent below the volume of business transacted in October, according to the monthly survey conducted by the Dominion Bureau of Statistics. Sales of chain store units operating in the food retailing field were 11 per cent higher than in November 1944, while sales of independent food retail stores advanced 10 per cent.

Births, Deaths and Marriages in November

Births registered in cities, towns and villages of Canada with a population of 10,000 and over numbered 10,794 in November, deaths 4,980 and marriages 4,614 as compared with 10,455 births, 4,746 deaths and 3,759 marriages in November 1944, showing increases of three, five and 23 per cent, respectively, for births, deaths and marriages.

Car Loadings on Canadian Railways

Car loadings on Canadian railways for the week ended January 5 amounted to 50,700 cars as against 42,322 cars for the preceding week and 50,243 cars for the corresponding week of last year. Total loadings of grain declined from 5,502 cars in 1945 to 5,105 cars, coal from 4,598 to 3,946 cars, automobiles, trucks and parts from 1,289 to 700 cars, and miscellaneous from 4,204 to 3,714 cars. Fresh fruits increased from 196 to 384 cars, sand, gravel, etc. from 1,164 to 1,670 cars, pulpwood from 2,181 to 3,542 cars, and merchandise from 11,505 to 11,914 cars.

Revenues and Expenses of Railways in October

Canadian railways earned \$66,298,997 in October 1945 as against \$68,257,732 in October 1944, both freight and passenger revenues showing declines. Operating expenses declined to \$54,105,514 from \$54,538,192. For the 10 months ended October, operating revenues declined from \$657,563,069 in 1944 to \$646,898,960, operating expenses from \$520,713,343 to \$520,332,898, and the operating income from \$96,213,559 to \$90,833,052.

Reports Issued Today

1. Indexes of Retail Sales, November (10 cents).
2. Production of Canada's Leading Minerals, October (10 cents).
3. Registrations of Births, Deaths and Marriages, November (10 cents).
4. Car Loadings on Canadian Railways - Weekly (10 cents).
5. Stocks of Meat and Lard in Cold Storage, January 1, 1946 (10 cents).
6. Canadian Grain Statistics - Weekly (10 cents).
7. Stocks of Fruit and Vegetables, January 1, 1946 (10 cents).
8. Operating Revenues, Expenses and Statistics of Railways, October (10 cents).
9. Civil Aviation, September (10 cents).
10. Coal and Coke Statistics, October (10 cents).
11. Sales and Purchases of Securities Between Canada and Other Countries, October (10 cents).
12. Grain Trade of Canada, 1943-44 (50 cents).
13. Stocks of Fish in Cold Storage, January 1, 1946 (10 cents).
14. Gold Production, October (10 cents).
15. Sales of Clay Products Made from Canadian Clays, October (10 cents).
16. Current Trends in Food Distribution, November (10 cents).
17. Economic Conditions in Canada during First Eleven Months 1945 (10 cents).
18. Man-Hours and Hourly Earnings, November 1, 1945 (10 cents).
19. Crude Petroleum Industry, 1944 (25 cents).
20. Sales of Manufactured and Natural Gas, November (10 cents).



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