

WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce

Vol. XIV - No. 31

Ottawa, Saturday, August 3, 1946

Price \$1.00 per annum

World Wheat Situation

At this time the major wheat-producing countries in the Northern Hemisphere are witnessing the close of the 1945-46 crop year - a year high-lighted by the end of World War II and the beginning of its aftermath of increased starvation in the war-stricken areas, intensified by a thoroughly disorganized system of distribution and an inadequate supply of the basic cereal foodstuffs. At the same time, these major wheat producers are entering the new 1946-47 season and attempting to appraise the supply and demand situation in the world of wheat for the next twelve months.

On the credit side, there has been a significant improvement in the European crops as compared with a year ago. Some countries on the Continent are reported to be anticipating an increase in their bread-grain production sufficient to make them more nearly self-sustaining; while others, which have been forced to import grain during the past couple of years, may be able to return to a limited export position. The United States is estimated to be harvesting an all-time record wheat crop, while the present Canadian prospects appear extremely favourable. In Argentina soil conditions are reported to be excellent for the seeding of grain and Australia is thought to be increasing her wheat acreage this year.

On the debit side, one of the major items is the extremely small world stocks of wheat available at the present time. On July 1 these stocks were estimated to be the smallest since 1937 and only about one-fourth as large as the year-end carry over in the period of 1941 to 1944. While appearing to be somewhat better than a year earlier, the European harvest is expected to be only 90 per cent of the prewar level, as acreage is below prewar and yields are likely to be reduced by shortage of fertilizers and facilities. In the Far East conditions have not been generally favourable for planting for the 1946-47 crops. Drought in southern China has delayed the planting of rice and other crops, although above-average crops of winter grains are being harvested in North China and favourable conditions are aiding the sowing of summer grains. In eastern India heavy rains have hampered normal planting operations, while summer rainfall had not begun in southern India in early June.

After placing these debit and credit factors in the balance, and assuming that present crop-producing conditions continue until harvest, it would appear that the world's 1946-47 food production will be definitely below prewar levels, although it will be somewhat larger than that of 1945-46.

As the United States wheat harvest has progressed yields have continued to turn out better than earlier anticipated and an official estimate on July 22 placed the 1946 out-turn at 1,132.1 million bushels - about nine million bushels above the previous record established in 1945. On July 1 farm stocks stood at 42.7 million bushels - less than half of the stocks on farms a year ago and only 3.8 per cent of the 1945 production.

While excessive moisture conditions have been hampering soil preparation and seeding operations in the Argentine, overall conditions for the new crops remain extremely favourable. In southeastern sections of Australia crop conditions appear to be quite favourable, but lack of rain in the northeastern districts and parts of western Australia has delayed the sowing of grain. Prospective plantings are above the 1945 acreage but below the 15.5 million-acre goal.

The wheat harvest is well underway in southern areas of Europe and will soon be extending into the central regions. Reports on yields have been fragmentary so far, but indications are that they will be generally much better than in 1945. Italy, a major importer during the past season, has been harvesting a wheat crop indicated to be much larger than that of a year ago. France is also harvesting a much larger crop and with supplies coming from her North African colonies, imports from other countries are expected to be greatly reduced during 1946-47. High temperatures in the United Kingdom have been forcing grain crops along and outturns may be somewhat larger than last year, despite a decrease in acreage.

Total Canadian exports up to the end of June amounted to 324.8 million bushels as against 295.3 million for the corresponding period a year ago, but greatly reduced monthly exports during the last three months have narrowed the gap which existed earlier in the season between the 1944-45 and 1945-46 export totals.

Crop Conditions in the Prairie Provinces

Hot dry weather prevailed throughout the Prairie Provinces during the week preceding July 30 and grain crops are being forced to an early maturity. General rains would be welcome to ensure proper filling of the grain and to check deterioration in some areas of Alberta and Saskatchewan. For the Prairie Provinces as a whole, however, prospects remain fairly good. Some harvesting is reported in the southern districts of Alberta and Manitoba and a continuance of present weather conditions would result in a generally early harvest this year.

In several districts of Manitoba south of the C.P.R. main line harvesting has become quite general, with some oats and barley reported cut. Harvesting north of this line is not expected to become general for another week or two. Leaf rust has been prevalent in the wheat crop but it is thought to have come too late to cause much loss. Hail damage so far this year has been held to a minimum and no frost has been reported in the grain-growing areas of the province. Consequently, wheat prospects appear to be average or better than average this year. Haying is well advanced but the crop is considerably below average in the eastern parts of the province where most of it is used. A nearly-average crop is expected in the northwest.

Warm, dry weather throughout Saskatchewan has brought the wheat crops along very quickly and in the southern parts of the province harvesting will commence earlier than anticipated. Prospects vary from fair to good in the area southeast of Regina, Weyburn and in the eastern-central areas. Hot, dry weather and lack of subsoil moisture in central and west-central districts have resulted in crop prospects averaging from poor to fair. Extensive frosts were reported in the north, central and west-central areas during the middle of last week. Continued hot, dry weather is forcing the crops too rapidly and more rain is needed to complete the filling of the grain. Outturn in the southwest section will vary from 4 to 10 bushels per acre according to the extent of the drought. Some districts report abundant leaf rust but it is thought that it came too late to do extensive damage.

Continuation of high temperatures and no rain have brought the crops in Alberta along to an early maturity. However, rain would be welcome in most areas to ensure adequate filling of the grain. Areas in the southeastern part of the province and in the Peace River district are particularly in need of good rains. Generally speaking, crop prospects are good with wheat practically all headed. Barley is 75 per cent and oats 50 per cent in head. The extent of the frost damage occurring in northern and central districts last week has not been fully determined. Harvesting of winter wheat, winter rye and barley has started in the southwest district and combining of first spring wheat reported. Hail damage has not been extensive. Pastures are fair and the condition of live stock good.

Country General Store Sales in June

Continuing the advance of earlier months over last year, sales of country general stores in June were 10 per cent higher than in June 1945 but approximately 5 per cent below the high level of May this year, the Dominion Bureau of Statistics reports on the basis of country-wide returns. The June increase over last year was close to the average gain for the first half of this year over the corresponding period of 1945, which amounted to 12 per cent.

Unadjusted indexes of sales, on the base 1935-39=100, stood at 201.9 for June as compared with 212.7 for May, 186.7 for April and 183.5 for June last year. When adjusted for number of business days and for normal seasonal movements, the index of sales for June stood at 197.6 as compared with 195.7 for May, 172.6 for June last year, and an average index of 193.3 for the first six months of 1946.

Except in the southern part of Quebec, where they were unchanged from June a year ago, sales in all sections of Canada for which separate figures are compiled registered increases in June over last year, the increases ranging as high as 16 per cent for the northern part of Ontario. Other increases were: Maritime Provinces, 13.4 per cent; all Quebec, 6.2; all Ontario, 10.4; Manitoba, 12.9; Saskatchewan, 12; Alberta, 8.4; and British Columbia, 12.6 per cent.

Employment and Payrolls at June 1

In spite of industrial disputes affecting large numbers of workers, there was a moderate increase in employment at the first of June as compared with a month earlier, according to the monthly report of the Dominion Bureau of Statistics on the employment situation and payroll statistics. The advance, however, was the smallest indicated at this date in any year since 1920, in each of which except last year the trend has been upward.

The Bureau tabulated data for the beginning of June from 15,876 firms. These had an aggregate working force of 1,735,435 men and women as compared with 1,729,472 a month earlier, an increase of 0.3 per cent. This raised the Bureau's index, on the base 1926 equals 100, to 169.9 as compared with 169.3 at May 1 and 175.3 at June 1 last year. Except for the four years 1942 to 1945, when the June 1 indexes ranged between 171.7 and 181.2, the latest index is higher than at any other June 1 for which figures have been recorded by the Bureau, exceeding by over 50 per cent that of 113.1 in 1939.

The strike in the lumber industry in British Columbia, and local disputes in textile and non-ferrous metal plants in Quebec and Ontario, resulted in a decline of nearly 8,800 in employment in manufacturing. In many other manufacturing groups, the trend was upward, the largest gains being in food and pulp and paper.

Among non-manufacturing industries, there was a considerable employment decrease in logging, mainly as a result of labour-management disputes, the firms making returns having 8,843 fewer workers than at May 1. There were seasonal losses in transportation, the shipping strike being also a factor in the reduced figures. On the other hand, construction and maintenance showed noteworthy expansion with some 20,300 additional workers reported, and increases on a smaller scale were indicated in mining, communications, services and trade.

Payrolls reported by the industrial firms furnishing statistics aggregated \$54,969,-486 for the week preceding June 1, a decline of \$466,197 or 0.9 per cent from the aggregate a month earlier. This decrease was largely due to the industrial disputes, although the Victoria Day holiday in the pay period for which figures were furnished by many firms also had an effect. Average weekly earnings for the period reviewed, on the basis of these totals, were \$31.67 at June 1 as compared with \$32.05 at May 1 and \$32.10 at June 1 last year.

Claims for Unemployment Insurance Benefit in June

Claims for unemployment insurance benefit in Canada during June showed a greater decline than in the preceding month, numbering 30,646 as compared with 34,777 in May and 38,781 in April, according to the statistical report on the operation of the Unemployment Insurance Act issued by the Dominion Bureau of Statistics. During June last year 10,857 applications were filed. The June decline was fairly general across Canada, lower figures being recorded in all provinces except Prince Edward Island and Quebec, which had increases of 29 and 1,541, respectively.

There was a decline also in the number of live claims at June 30 as compared with May 31. These totalled 82,382 (60,210 males and 22,172 females) as against 98,810 (74,130 males and 24,680 females) at the end of May. The decrease of 16,428 in the total compares with a drop of 25,140 in the preceding month, and was spread through all provinces. The number of live claims at June 30 last year was 17,242 (9,230 males and 8,012 females).

Claims adjudicated at insurance offices during June totalled 32,667, of which 25,263 were considered **entitled** to benefit and 7,404 not entitled to benefit. During the month a total of 103,231 persons received benefit payments amounting to \$4,272,995 for 2,243,727 compensated unemployed days as compared with 127,866 persons paid \$5,221,870 for 2,719,294 days during May and 16,921 persons paid \$579,326 for 303,443 compensated days in June, 1945.

The average duration of the unemployment compensated was 21.7 days in June, 21.3 days in May and 17.9 days in June last year. The average amount of benefit paid per beneficiary was \$43.33 in June, \$40.84 in May and \$34.24 in June, 1945, and the average amount of benefit paid per compensated day of unemployment for these periods was \$1.99, \$1.92 and \$1.91, respectively.

June Sales of Department Stores

Sales of Canadian department stores in June were 13 per cent higher than in June last year but 8 per cent below the level of the immediately preceding month of May, according to the preliminary report for June issued by the Dominion Bureau of Statistics. Total department stores sales for the first half of the year stood at 19 per cent above the first half of last year.

The gain in June over a year earlier was considerably lower than the increases recorded in the first five months of the year, which averaged 20 per cent. This may be attributed in part, states the Bureau, to the occurrence of one more business day in June of last year. Unadjusted indexes, on the base 1935-1939 equals 100, stood at 191.8 for June as compared with 208.8 for May and 169.1 for June, 1945.

Figures on regional basis show that lower percentage gains in sales were general across the country. An analysis of sales by departments also shows lower gains than earlier in the year in all categories for which separate figures are available. Durable goods departments again recorded major gains, although the margin of increase was less than in May. Sales of radios, musical instruments and supplies advanced nearly 144 per cent over 1945; household appliances and electrical supplies, 87 per cent; hardware and kitchen utensils, 33 per cent; furniture and home furnishings, 22.3 and 22.5 per cent. Sales of women's and children's apparel were 8 per cent higher and men's and boys' clothing and furnishings nearly 7 per cent.

Second Estimate of Fruit and Vegetable Crops

There was a moderate improvement in the outlook for the tree fruit and grape crops during July but berry production will not be as great as earlier anticipated, according to the third report on the fruit and vegetable crops in the main producing areas issued by the Dominion Bureau of Statistics.

The estimate of the apple crop is now 15,644,000 bushels, which is 8 per cent above the first estimate at the end of June and 105 per cent greater than the 1945 harvest of 7,635,000 bushels. Increases were shown during the month in Nova Scotia, New Brunswick and British Columbia, while the crops in Quebec and Ontario are somewhat less promising. Latest estimate of the Nova Scotia crop is 5,650,000 bushels; New Brunswick, 288,000; Quebec, 500,000 bushels; Ontario 1,460,000 bushels and British Columbia, 7,746,000 bushels.

Pear crops in Nova Scotia, Ontario and British Columbia, where this fruit is grown commercially, are now expected to be greater than the June prospects indicated. The crop is currently estimated at 751,000 bushels as compared with a harvest of 600,000 bushels last season. Plum and prune prospects also improved during the month to bring the crop estimate to 599,000 bushels.

A moderate increase in the peach estimates both in Ontario and British Columbia brings the Canadian total to 1,931,000 bushels or 25,000 bushels over the previous estimate, indicating a crop 23 per cent larger than that of last season, with the greatest increase being shown in Ontario. A further increase in the apricot crop in British Columbia raises the estimate to 164,000 bushels. Cherry prospects are up 12 per cent in Ontario since June, but a four per cent decline is shown in the British Columbia crop. The Canadian total, however, is slightly higher at 248,000 bushels compared with 241,000 bushels a month ago.

Due to hot, dry weather in eastern Canada, the strawberry crop failed to develop as expected in June, the total crop being now placed at 16,001,000 quarts as compared with the previous estimate of 19,767,000 quarts and making it four per cent below the 1945 crop. Raspberries are also reduced since last month, the present outlook being for a total crop of 12,423,000 quarts as against June prospects of 14,457,000 quarts. For grapes the outlook remains practically unchanged, the current estimate indicating a crop of 65,936,000 pounds.

A survey of potato growers throughout Canada at the end of June indicated that the potato acreage is five per cent greater than planted last year. Growers in all provinces, except Saskatchewan, have planted more heavily this year, increases in acreage ranging from four to 13 per cent. In all provinces the crop outlook is promising and with yields equal to the average of the past six years total production should reach 44,248,000 hundredweight or 23 per cent more than last year's harvest.

Building Permits Sharply Up for Half-Year

Building permits issued during the first half of the current year by municipalities reporting to the Dominion Bureau of Statistics had an aggregate value of \$200,738,967 as compared with \$80,673,251 for the first six months of 1945, an advance of 149 per cent.

Permits for the construction of 24,924 new dwelling units were granted this year as compared with 12,589 in the first half of last year, the 1946 permits including 22,858 new buildings and 2,066 conversions. The value of new residential buildings, and additions and repairs to residences, amounted to \$103,016,584 during the first six months of this year as against \$51,161,037 in the corresponding period of 1945.

The value of building permits issued by reporting municipalities in June was \$25,346,002 as compared with \$47,458,102 in May and \$19,566,002 in June last year. The June total consisted of \$21,190,437 for new construction and \$4,155,565 for additions, alterations and repairs. New housing units represented in the June permits numbered 3,310, of which 3,085 were new buildings and 225 conversions. In June last year, 3,036 permits were issued for housing units, 2,816 being for the construction of new buildings and 220 for conversions. The aggregate value of new residential buildings, additions and repairs, was \$15,425,023 in June of this year as compared with \$13,155,958 in June 1945.

Production and Shipments of Lumber in May

Lumber production in May by 747 sawmills east of the Rockies, which have reported their month's operations to the Dominion Bureau of Statistics, amounted to 163,662,000 feet board measure, an increase of 92 per cent over the output of 85,238,000 feet board measure reported for April by 887 operators. May shipments reported by 480 operators totalled 137,269,000 feet board measure as compared with shipments of 107,727,000 board feet reported by 458 operators for April, showing a gain of 27 per cent. Stocks on hand at the end of May reported by 353 mills amounted to 311,405,000 board feet as against 294,865,000 board feet on the last day of April reported by 339 mills.

Of the operators which have made returns for May, 487 mills reported sawing with production of 130,132,000 feet board measure of softwoods and 33,530,000 feet of hardwoods. These figures compare with revised totals of 432 mills sawing in April, and production of 65,001,000 feet of softwoods and 20,237,000 feet of hardwoods. There was a considerable increase in the number of active mills in Quebec and Ontario, but decreases in most of the other provinces.

Production for the five months ending May, as reported to the Bureau, aggregated 559,251,000 feet board measure and shipments amounted to 440,493,000 feet. By provinces, May output in thousands of feet board measure was as follows: Prince Edward Island, 243; Nova Scotia, 13,563; New Brunswick, 13,432; Quebec, 62,563; Ontario, 62,851; Manitoba, 1,699; Saskatchewan, 3,168; Alberta, 6,143. Figures for British Columbia are not included in the report, owing to the wide difference in operations there from the rest of Canada.

Steel Ingot Production in June

Production of steel ingots in June declined to 208,298 tons as compared with 244,792 tons in June last year, according to figures released by the Dominion Bureau of Statistics. The daily average in June was 6,941 tons as against 8,119 tons in May and 8,160 tons in the corresponding month of 1945. Production in the first six months of this year aggregated 1,402,799 tons as compared with 1,510,365 tons in the first half of last year, the daily averages being 7,750 and 8,345 tons, respectively.

Loadings of Railway Revenue Freight in June

Railway revenue freight loadings in June totalled 8,161,000 tons as compared with 7,810,000 tons in the preceding month and 9,551,000 tons in the corresponding month of 1945, according to figures released by the Dominion Bureau of Statistics. The Bureau's index number of tons loaded, on the base 1935-1939 equals 100, stood at 193.7 for June as compared with 184.4 for May and 226.7 for June last year.

Cheques Cashed Against Individual Accounts in June

Cheques cashed against individual accounts in June were lower than in June last year, totalling \$5,609 million as compared with \$6,086 million, according to figures released by the Dominion Bureau of Statistics, but the aggregate for the first half of the year was 5.6 per cent higher than for the corresponding period of 1945, standing at \$34.5 billion as against \$32.7 billion.

Cheques cashed in the Maritime Provinces in June rose to \$139 million compared with \$122 million in June last year, a gain of more than 14 per cent. In the Province of Quebec the aggregate was \$1,801 million as against \$1,705 million, the increase of 5.6 per cent reflecting mainly an advance in business transactions in Montreal. In Ontario nine of the fourteen centres recorded advances over last year, but the provincial aggregate was about 13 per cent lower at \$2,445 million compared with \$2,817 million, mainly due to declines from \$1,882 million to \$1,677 million for Toronto and from \$506 million to \$318 million for Ottawa. For the Prairie Provinces the aggregate was \$796 million as compared with \$1,089 million in June last year, a drop of 27 per cent; declines in Edmonton, Regina, Winnipeg more than offsetting gains in all the other centres. In British Columbia the total advanced about 22 per cent from \$352 million last year to \$429 million.

In the aggregate for the half-year, advances were shown in each of the five areas except the Prairie Provinces, with the greatest increase shown in British Columbia. Cheques cashed in the Maritime Provinces were 8.3 per cent greater than in the first six months of last year; in Quebec, 8.9 per cent; in Ontario, 4.2 per cent; and in British Columbia, 31.6 per cent; while in the Prairie Provinces transactions were 6.3 per cent lower.

Output of Asphalt Roofing in June

Production of asphalt roofing materials during June continued the gains of previous months over last year, the output comprising 402,887 squares of shingles and rolled roofing and 4,565 tons of tar and asphalt felts and sheathing as compared with 319,324 squares and 3,416 tons, respectively in June 1945, according to figures issued by the Dominion Bureau of Statistics. During the first half of this year production amounted to 2,247,840 squares of shingles and rolled roofing and 24,843 tons of felts and sheathing as compared with 1,820,363 squares of the former and 20,666 tons of the latter during the corresponding period of 1945. Exports totalled 11,343 squares of shingles and rolls and 486 tons of felts and sheathing during the half-year, while imports of asphalt and composition shingles in the five months ended May, the latest month for which figures are available, amounted to 6,831 squares.

Sales of Paints, Varnishes and Lacquers in May

Sales of paints, varnishes and lacquers showed a further increase in May, transactions by manufacturers normally accounting for 96 per cent of the total Canadian production amounting to \$5,922,712 as compared with \$5,484,554 in April and \$4,680,798 in March, according to figures compiled by the Dominion Bureau of Statistics. For the five months ended May sales by these firms aggregated \$25,136,283. Trade sales (exclusive of water paints) accounted for about 49 per cent of the May total, industrial sales for 37 per cent, water paints for four per cent, and unclassified sales for ten per cent.

Production of Wheat Flour in June

Flour production in Canadian mills during June showed a moderate recession from the high levels of immediately preceding months, amounting to 2,183,648 barrels as compared with 2,343,827 barrels for May and 2,216,930 barrels in April, according to figures released by the Dominion Bureau of Statistics. For the eleven months of the 1945-46 crop year ending June the cumulative production was 24,271,196 barrels, topping the similar period in the previous crop year when the aggregate was 22,862,210 barrels.

Wheat used in the manufacture of flour during June amounted to 9,726,080 bushels compared with 9,435,449 bushels in June last year, and the total milled during the eleven months ending June was 107,983,780 bushels as against 101,370,971 bushels in the corresponding period of the previous crop year. Ontario wheat included in the quantity milled for June amounted to 325,884 bushels compared with 322,817 bushels in June last year. Stocks of wheat in flour mills at the close of June amounted to 4,904,713 bushels as against 5,849,071 bushels at the end of May and 6,411,973 bushels at the end of June last year..

Stocks and Marketings of Wheat and Coarse Grains

With only a few days of the 1945-46 crop year to be accounted for, visible stocks of Canadian wheat in store or in transit in North America on July 25 totalled 39,768,984 bushels as compared with 41,024,011 bushels a week earlier and 225,094,922 bushels on the corresponding date of last year, according to figures issued by the Dominion Bureau of Statistics.

Wheat deliveries from farms in Western Canada increased substantially during the week ending July 25 over the two preceding weeks, totalling 2,266,706 bushels as compared with 1,401,779 bushels in the previous week and 1,233,598 bushels in the week ending July 11. Marketings of wheat from the beginning of crop year to July 25 aggregated 233,512,832 bushels as compared with 341,136,210 bushels in the corresponding period of the 1944-45 crop year.

The following quantities of coarse grains were delivered from farms in the Prairie Provinces during the week ending July 25, totals for the preceding week being shown in brackets: oats, 1,619,713 (943,203) bushels; barley, 674,333 (348,343); rye, 15,310 (4,264); flaxseed, 2,673 (2,821) bushels.

Reports Issued During the Week

1. Preliminary Report on Department Store Sales, June (10 cents).
2. Railway Revenue Freight Loadings, June (10 cents).
3. Fruit and Vegetable Crop Report (10 cents)
4. Car Loadings on Canadian Railways - Weekly (10 cents).
5. Operating Results of Unincorporated Retail Stores: Bulletin No. 6 - Independent Automobile Dealers, Filling Stations, and Garages (25 cents).
6. Production, Shipments and Stocks on Hand of Sawmills, May (25 cents).
7. Monthly Report on Steel Ingots, May (10 cents).
8. Trade of Canada: Exports by Articles and Countries (detailed), June and Six Months ended June 1946 (25 cents).
9. Statistical Report on the Operation of the Unemployment Insurance Act, June (10 cents).
10. Cheques Cashied and Money Supply, June (10 cents).
11. Monthly Review of Business Statistics, June (10 cents).
12. Telegraphic Crop Report, Prairie Provinces (10 cents).
13. Monthly Review of the Wheat Situation (10 cents).
14. Asphalt Roofing Industry, June (10 cents).
15. Prices and Price Indexes, June (10 cents).
16. Monthly Traffic Report of Canadian Railways, April (10 cents).
17. Employment Situation at Beginning of June, together with Payrolls for the Last Week in May (10 cents).
18. Monthly Indexes of Country General Stores, June (10 cents).
19. Building Permits, June (10 cents).
20. Sales of Paints, Varnishes and Lacquers, May (10 cents).
21. Manufactures of the Non-Ferrous Metals in Canada, 1939-1943 (50 cents).
22. Canadian Milling Statistics, June (10 cents).
23. Canadian Grain Statistics, Weekly (10 cents).
24. Civil Aviation, January and February (10 cents).



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