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HIGHLIGHTS OF THIS ISSUE

Prices: At the start of August the consumer price index registered 0.3% above the July 2 level, an 0.8% increase in the food index being mainly responsible. Compared with August last year, however, the composite index was 0.5% lower this year, while the food index was down 1.8%...Wholesale prices of 30 industrial materials advanced 1.4% between July 29 and August 26...An 8.3% rise in field products outweighed a 2.8% drop in animal products to increase farm product prices 1.7% during August. (Pages 10 & 11)

Trade: Canada's commodity trade continued to expand in July, exports showing a gain of 8.5% and imports an increase of 9.3% over last year's values. The seven-month tally shows 10% more exports, 8% more imports, and a 15% reduction in the import balance... Transactions in goods and services with other countries in the first half of 1955 resulted in a deficit of \$320-million as compared with a deficit of \$365 million in the same period of last year. (Pages 6-8)

Agriculture: The second fruit crop estimate shows increases of 24% for apples, 13% for pears, 7% for plums and prunes, 11% for peaches, 53% for apricots, 3% for cherries and 39% for loganberries over 1954 yields, but decreases of 20% for strawberries, 4% for raspberries and 6% for grapes...There were 3,895,000 turkeys on farms at the start of August, 19% more than at June 1 and 3% more than a year earlier. (Pages 3 & 5)

Food: An 11% reduction in July put wheat flour production in the 1954-55 crop year slightly below the preceding year's level... A drop in July put seven-month egg production at about last year's level...Nine-city stocks of creamery butter, cheddar cheese and frozen eggs were above last year's levels at the start of September, but holdings of cold-storage eggs were smaller. (Pages 4 & 5)

Production: A 9.2% increase in June put industrial production in the first half of this year 6.4% above the 1954 level. Half-year mineral output was up 13%, electricity and gas production 10.6% and manufacturing output 4.8%. (Page 15)

Transportation: Railway carloadings were up 14.2% in the August 15-21 period this year to put cumulative 1955 loadings 9.1% above the 1954 level. Cars received from foreign connections were up 14.8% in the August 15-21 interval and 12.4% in the cumulative period. (Page 19)

Travel: 19% more motor vehicles entered Canada from the United States this July and seven-month entries were 13% above 1954 level. (Page 15)

Crop Conditions Across Canada

Weather conditions have been variable in the Maritimes during the past three weeks, according to the crop report issued September 7. Heavy rains fell in Prince Edward Island but warm weather has facilitated grain harvesting. Yields tend to be below average. Pastures and potatoes have maintained heavy growth and blight does not appear to be heavy. Soil moisture is plentiful in Nova Scotia but the dry summer has reduced cereal yields. Grain harvesting is well under way and a full apple crop is expected in most areas. Late potato digging has commenced in some districts and while blight is appearing, it is not yet serious. Grain harvesting is well advanced in New Brunswick under favourable weather but yields appear to be below average. A good crop of early potatoes has been dug and while blight is in evidence on late potatoes, it is under control.

Adequate moisture and high temperatures provided very favourable growing conditions in Quebec during the month of August. This was in contrast to the extremely dry weather which prevailed during June and July and reduced the output of grain crops in nearly all areas. The one notable exception to this reduction occurred in the Abitibi region where the harvest is expected to be the largest in several years. Both pastures and aftermath have been revived and in nearly all districts milk flow is now normal for this time of year. Potatoes, other vegetables and tobacco are at present very promising.

Threshing of spring grains is practically completed in Ontario, with yields in some regions exceeding earlier expectations. Recent rains have considerably improved pastures and there has been a corresponding increase in milk production. Improved moisture supplies have also benefited late field crops and vegetables, and have facilitated fall ploughing. An increased acreage is being prepared for fall wheat, with a substantial amount already seeded. Tobacco harvesting is in full swing and, in some cases, completed. Silo filling and picking of canning corn and tomatoes are also general. Prospects are for a heavy crop of apples but reduced yields of potatoes.

Harvesting in the Prairie Provinces has progressed rapidly under almost ideal weather conditions. In Manitoba cereal harvesting is nearing completion, with flax about one-third done. About half the wheat and coarse grains and 5% of the flaxseed have been threshed in Saskatchewan. While Alberta crops are somewhat later, harvesting is progressing rapidly and continued fine weather should result in early completion of fall work in that province. In all three provinces, correspondents confirm earlier yield estimates of most crops. Hail storms have caused some damage in local areas during the past three weeks.

During the past three weeks, the weather has been quite warm and dry throughout British Columbia. In the Peace River District there has been rapid growth and ripening of crops. Threshing of barley is well advanced and cutting of wheat and oats is commencing. Frost caused minor damage in some localities during the past ten days. In the central interior crops have matured rapidly but are later than normal. Harvesting in the northern Okanagan district is nearing completion. Peas and fall wheat will be lighter than average but spring crops are expected to be above average. In the Lower Fraser Valley harvesting of oats is now general, while on Vancouver Island harvesting of grains is nearing completion. In the Nelson and Creston areas harvesting of grain and pea crops is in progress. (1)

Most Fruit Crops Over 1954 Yields This Year This year's crops of most fruits will be larger than last year's yields, according to the second estimate of fruit production by the Dominion Bureau of Statistics. The first estimate was published on August 8, and today's estimate revises the figures for apples, pears and peaches upwards and those for plums and prunes, apricots, cherries, strawberries, raspberries and grapes downwards. The figure for loganberries is unchanged.

Originally estimated at 17,645,000 bushels, the 1955 apple crop is now placed at 17,981,000 bushels as against 14,500,000 last year. Gains are expected in all areas, the yield in Nova Scotia increasing to 3,600,000 bushels from 2,157,000 in 1954, in New Brunswick to 450,000 from 250,000, in Quebec to 3,175,000 from 2,500,000, in Ontario to 3,779,000 from 3,071,000 and in British Columbia to 6,977,000 from 6,522,000.

The pear crop is now estimated at 1,422,000 bushels (first estimate: 1,416,000) versus 1,261,000 last year, the yield in Nova Scotia increasing to 45,000 bushels from 40,000, in Ontario to 746,000 from 664,000, and in British Columbia to 631,000 from 557,000.

This year's crop of plums and prunes is now placed at 768,000 bushels (first estimate: 806,000) as against 716,000 last year, the yield in Nova Scotia increasing to 30,000 bushels from 20,000, in Ontario to 516,000 from 486,000, and in British Columbia to 222,000 from 210,000.

The 1955 peach crop, originally estimated at 2,604,000 bushels, is placed at 2,683,000 bushels as compared with 2,425,000 in 1954. An increase to 597,000 bushels from 271,000 last year in British Columbia is expected to more than offset a decrease to 2,086,000 bushels from 2,154,000 in Ontario. Produced entirely in British Columbia, the apricot crop is estimated at 180,000 bushels (first estimate: 181,000) as against 118,000 in 1954.

The estimate for the 1955 cherry crop has been reduced from 525,000 bushels to 516,000, which compares with last year's yield of 500,000 bushels, the British Columbia crop being up to 114,000 bushels from 90,000 last year, and the Ontario crop down to 402,000 bushels from 410,000.

Originally estimated at 91,998,000 pounds, the 1955 grape crop is now expected to be 87,596,000 pounds, appreciably less than last year's yield of 92,774,000 pounds. A decrease to 85,600,000 pounds from 91,000,000 is anticipated in Ontario, and an increase to 1,996,000 pounds from 1,774,000 in British Columbia.

The 1955 strawberry crop is now placed at 22,479,000 quarts (first estimate: 22,663,000) versus 27,971,000 last year, production in Prince Edward Island increasing to 790,000 quarts from 780,000, in Nova Scotia to 825,000 from 715,000, in New Brunswick to 850,000 from 775,000 and in Ontario to 8,638,000 from 7,992,000, but decreasing in Quebec to 5,000,000 from 8,500,000 and in British Columbia to 6,376,000 from 9,209,000.

MORE

The raspberry crop is estimated at 12,265,000 quarts (first estimate: 12,485,000) versus 12,839,000 last year, output in Nova Scotia increasing to 40,000 from 37,000 and in British Columbia to 9,574,000 from 9,232,000, but decreasing in New Brunswick to 4,000 from 50,000, in Quebec to 300,000 from 350,000 and in Ontario to 2,306,000 from 3,170,000. The loganberry crop, harvested entirely in British Columbia, is estimated at 1,463,000 pounds as compared with 1,056,000 in 1954. (2)

Fewer Eggs Laid In July Production of eggs in Canada during July is estimated at 25,400,000 dozen, down from a revised estimated of 27,900,000 dozen for June and 27,400,000 for July last year. The average number of eggs per layer during July fell to 13.5 from 14.9 for June and 14.7 for July last year, and the average number of layers was lower this July than a year ago at 22,194,000 against 22,489,000.

With estimates of egg production for the first six months (as previously published) revised in relation to the semi-annual poultry survey of June 1, aggregate egg production during the first seven months this year is now placed at 231,400,000, dozen, virtually unchanged from the output for the corresponding 1954 period.

Egg output was lower in July than a year earlier in all provinces except Prince Edward Island, Nova Scotia and Saskatchewan, but in the January-July period was larger in all except Quebec, Ontario and British Columbia. (3)

Flour Production Reduced In July And 1954-55 Crop Year With mills operating at only 62.7% of their combined rated capacity in July, wheat flour production dropped to a low of 1,426,089 barrels, almost 11% below last year's July output of 1,595,312 barrels.

This brought total production in the 1954-55 crop year to 20,713,534 barrels (196 pounds each), 87,000 barrels less than in the 1953-54 crop year and 3,152,091 barrels less than in 1952-53.

Wheat milled for flour decreased to 6,418,292 bushels in July from 7,006,203 a year earlier, but in the 1954-55 crop year increased to 92,408,261 bushels from 91,855,269 in 1953-54.

Oatmeal production increased substantially in the crop year just completed, jumping to 9,413,927 pounds from 4,848,016 in 1953-54. Output of rolled oats fell to 87,108,912 pounds from 90,983,069, but production of millfeeds increased to 695,974 tons from 678,456.

Mill grindings of feed wheat increased to 3,097,259 bushels in the 1954-55 crop year from 2,846,374 in the preceding crop year, mixed grain to 17,066,879 bushels from 16,722,015 and rye to 340,555 bushels from 235,323, but oats decreased to 15,528,581 bushels from 17,309,941, corn to 2,447,117 bushels from 2,581,900, barley to 4,934,701 bushels from 5,207,746 and buckwheat to 34,448 bushels from 37,536. (4)

Visible Supplies of Wheat Stocks of Canadian wheat in store or intransit in North America on August 24 totalled 373,093,000 bushels, slightly larger than last year's 370,011,000 bushels. Deliveries of wheat from prairie farms during the week were 2,360,000 bushels versus 3,000 and overseas export clearances amounted to 4,135,000 bushels versus 4,143,000. (5)

Nine-City Butter Stocks Up With increases in Quebec, Montreal, Winnipeg, Regina, Saskatoon and Vancouver more than offsetting decreases in Toronto, Edmonton and Calgary, nine-city stocks of creamery butter were sharply above last year's level at the start of September, totalling 76,365,000 pounds as against 66,569,000. August 1 stocks amounted to 69,812,000 pounds.

Holdings of cheddar cheese were above last year's September 1 level in Quebec, Toronto and Regina but were smaller in other cities, the nine-city total increasing to 20,281,000 pounds from 20,143,000 a year earlier and comparing with the August 1 level of 18,920,000 pounds.

Stocks of frozen eggs in the nine regional cities amounted to 7,225,000 pounds at September 1, up from 6,891,000 at the start of August and 6,356,000 on the same date last year. Holdings of cold storage eggs dropped to 74,000 cases from 125,000 a month earlier and 84,000 on September 1 last year. Stocks of fresh eggs increased to 33,000 cases from 25,000 at August 1. (6)

More Turkeys at August 1 On the basis of a special survey, the Bureau now estimates that there were 3,895,000 turkeys on Canadian farms at August 1 this year. This is 19% more than the estimated 3,277,000 on farms at June 1, based on the semi-annual survey (reported in the Daily Bulletin of August 25), and 3% more than the revised estimate of 3,775,000 turkeys on farms at August 1 last year.

The latest estimate shows increases in numbers over a year earlier in Ontario, Manitoba, Saskatchewan and British Columbia, decreases in Quebec and Alberta, and no change in the Maritime Provinces taken together. The figures by regions (with last year's August 1 estimates in brackets) are as follows, in thousands of birds: Maritimes, 120 (120); Quebec, 525 (555); Ontario, 900 (800); Manitoba, 660 (630); Saskatchewan, 690 (650); Alberta, 620 (660); and British Columbia, 380 (360). Turkey poultry production in registered hatcheries was somewhat lower this year than last, but there are indications of increased farm hatch. (3)

M E R C H A N D I S I N G

Department Store Sales Up 4.5% In Latest Week Sales of department stores across Canada averaged 4.5% above the 1954 level in the week ending August 20, DBS reports. Gains were made in all regions, Alberta sales showing the sharpest increase of 7.7%. Dollar sales of stores in Manitoba were up 6.9%, in the Atlantic Provinces 6%, in Ontario 4.9%, in Saskatchewan 2.7%, in Quebec 2.5%, in British Columbia 2.2%.

Commodity Exports And Imports
Both Advanced In July

Canada's commodity trade continued to expand in July, both exports and imports showing gains in value over July last year, according to preliminary figures released this week by the Dominion Bureau of Statistics. The rise in value of imports, which has been general this year, was slightly greater than that of exports, which have had uninterrupted monthly gains since October last year.

Total exports in July were valued at \$357,000,000, up 8.5% from \$329,100,000 in July last year, gains being recorded for all main regions shown in the preliminary report.

Imports in the month were estimated at \$372,800,000, an increase of 9.3% over \$341,200,000 last year. The rise in imports was due to increased purchases from the United States, imports from the United Kingdom and each other region being slightly lower in value.

The month's trade resulted in a moderate rise in the import balance to \$15,800,000 from \$12,100,000 for July last year.

In the seven months ending July, total exports aggregated \$2,420,100,000, nearly 10% above last year's cumulative value for the period of \$2,200,400,000 and comparing with \$2,418,000,000 for the 1953 period and the record \$2,496,900,000 in 1952 when shipments of grain were exceptionally high.

The cumulative value of imports rose to an estimated \$2,582,200,000, almost 8% over the 1954 aggregate of \$2,391,300,000 and exceeded only by the 1953 seven-month total of \$2,622,000,000.

With the larger cumulative gain in exports than imports - \$219,700,000 against \$190,900,000 - the import balance for the seven months declined to \$162,000,000 from \$190,900,000 last year.

Commodity exports to the United States in July increased moderately to \$202,100,000 from \$194,900,000 a year ago, making a seven-month total of \$1,430,900,000 against \$1,339,800,000 last year. Imports from the United States in July increased more sharply to an estimated \$271,000,000 from \$240,600,000 and in the seven months to \$1,924,300,000 from \$1,743,500,000. As a result, the import balance with the United States increased in July to \$72,900,000 from \$45,700,000 last year and in the seven months to \$493,400,000 from \$403,500,000.

Exports to the United Kingdom again increased in July over a year earlier for the ninth successive month, being valued at \$63,900,000 compared to \$55,800,000 a year ago and bringing the seven-month total of \$450,300,000 against \$342,900,000 last year. Down in five of the six previous months this year, imports from the United Kingdom again declined slightly to an estimated \$33,400,000 from \$35,000,000 in July 1954 and for the January-July period were estimated at \$216,300,000 compared to \$239,100,000 last year. The export balance with the United Kingdom thus rose to \$30,500,000 in July from \$20,800,000 a year earlier and for the seven months to \$234,000,000 compared to \$103,800,000.

MORE

Commodity exports to other Commonwealth countries were slightly higher in value in July at \$17,700,000 and for the seven months stood at \$130,300,000 against \$111,000,000 in 1954. Commodity imports were slightly lower at an estimated \$16,100,000 in the month, the cumulative total showing a rise, however, to \$111,700,000 against \$97,100,000. Shipments to all other countries rose to \$73,300,000 in July from \$61,000,000 a year earlier, bringing the cumulative total above last year at \$408,600,000 versus \$406,700,000. Commodity imports from these countries eased off in the month to \$48,300,000 from \$49,300,000 in 1954 but with gains earlier in the year the cumulative total was up to \$329,900,000 compared to last year's \$311,800,000.

The preliminary figures for July and the seven months are summarized in the table following. The import figures are estimates and subject to revision. Those for exports are final figures, which will be released in detail shortly.

	<u>1954 July 1955</u>		<u>1954 January-July 1955</u>	
	Millions of Dollars			
<u>Exports:</u>				
United Kingdom	55.8	63.9	342.9	450.3
Other Commonwealth Countries .	17.4	17.7	111.0	130.3
United States	194.9	202.1	1,339.8	1,430.9
Other Foreign Countries	61.0	73.3	406.7	408.6
Totals	<u>329.1</u>	<u>357.0</u>	<u>2,200.4</u>	<u>2,420.1</u>
	<u>1954</u>	<u>1955**</u>	<u>1954</u>	<u>1955**</u>
<u>Imports:</u>				
United Kingdom	35.0	33.4	239.1	216.3
Other Commonwealth Countries .	16.3	16.1	97.1	111.7
United States	240.6	275.0	1,743.3	1,924.3
Other Foreign Countries.....	49.3	48.3	311.8	329.9
Totals	<u>341.2</u>	<u>372.8</u>	<u>2,381.3</u>	<u>2,582.2</u>

** Estimates only. Subject to revision.

Half-Year Gain In Commodity Final and detailed figures on Canada's commodity
Imports Widely Spread trade in June and the first six months this year,
 released this week by the Bureau, show that the
 rise in value of imports in the half-year to \$2,209,400,000 from \$2,050,100,000
 in 1954 was widely spread among commodities and among principal supplying
 countries and regions.

Affecting these comparisons was a change in the procedure of compiling imports in June 1954 which increased imports in the month, and consequently in the half year, by some \$40,000,000 more than they would have otherwise been in 1954.

Half-year purchases from the United States accounted for the major part of the total increase of \$159,300,000 with a rise of \$146,462,000 to \$1,649,243,000 from \$1,502,781,000. Values of imports from the United States were higher in the six months for each of the nine main commodity groups, with the largest rise in iron and its products.

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Imports from Latin America rose more moderately to \$147,261,000 from \$144,-864,000, main gains being in purchases from Mexico, and Venezuela while those from Brazil and Colombia were lower. Purchases from European countries totalled \$82,864,000 against \$80,613,000 last year, gains in imports from France, the Federal Republic of Germany, Italy and Sweden being partly offset by declines from the Netherlands and Switzerland among the chief suppliers. Total for the remaining foreign countries was up to \$48,710,000 from \$31,090,000, due mainly to sharp increases for Arabia, Japan and the Netherlands Antilles. Total value of purchases from Commonwealth countries other than the United Kingdom were up to \$94,966,000 in the half year from \$80,807,000 last year, all geographical regions except Africa showing gains.

Providing the major exception to the upward trend, imports from the United Kingdom fell to \$182,933,000 from \$204,129,000. The breakdown of these totals by commodity groups shows that most of this decline was in the iron and products groups, four other groups being slightly lower and four higher.

By commodity groups, biggest gain in the half year was in iron and products, imports of which rose in value to \$773,682,000 from \$735,224,000. Major gains in the group were in automobile parts and engines and boilers. The non-ferrous metals group was up to \$176,724,000 from \$163,697,000 and the non-metallic minerals group to \$286,005,000 from \$274,098,000, crude petroleum showing only a small gain at \$107,693,000. The chemicals and allied products group rose to \$121,462,000 from \$109,363,000. Purchases in the agricultural and vegetable products group increased to \$270,968,000 from \$255,031,000 and of animals and animal products to \$50,285,000 from \$43,490,000. The fibres and textiles group moved up to \$190,572,000 from \$168,203,000 and the wood and paper group to \$91,810,000 from \$82,348,000. Last of the nine groups, miscellaneous commodities rose to \$247,907,000 from \$218,659,000 the biggest increase among its items being for aircraft and parts. (7 & 8)

Deficit Of \$320 Million In Transactions In Goods
And Services With Other Countries In Half " ar

Canada's transactions in goods and services with other countries resulted in

a deficit of \$320 million in the first half of 1955, compared with a deficit of \$365 million in the same period of 1954. The half-year deficit comprised \$162 million in the second quarter (\$189 million a year earlier) and \$158 million in the first quarter (\$176 million).

Merchandise exports rose more rapidly than imports from the first half of 1954 to the first half of 1955, with the result that the deficit on trade was reduced by \$92 million to \$34 million. About half of this improvement was offset by an increase of \$47 million to \$286 million in the deficit on invisibles, an increase due mainly to larger net payments on the income and travel accounts.

In both the first and second quarters of 1955, relative to the same quarters of 1954, there was a striking increase in the current surplus with the United Kingdom which more than offset the widening of the deficit with the United States and the smaller surplus with other countries.

MORE

The current balance in transactions with the United Kingdom rose in the half-year period to \$183 million from \$55 million in the same 1954 period but the deficit with the United States increased to \$555 million from \$518 million. With all other countries the current surplus in the half-year period was reduced to \$52 million from \$98 million.

Net payments for current account invisibles in the first half of 1955 were \$286 million. This was \$47 million greater than in the first half of 1954, and considerably in excess of any half-year period since the war.

Most of this increase in the deficit occurred in the first quarter of 1955, when dividend payments rose sharply; in the second quarter of 1955 the deficit on invisibles was \$8 million greater than in the same quarter of 1954. In both quarters the levels of receipts and payments for non-merchandise transactions were considerably higher than the levels of a year ago.

In evaluating the change in the current deficit from the first half of 1954 to the first half of 1955, two special factors should be noted. A change in statistical procedure raised the import figure for 1954 by some \$40 million. Furthermore, there were special non-recurring receipts arising from settlements on defence account of some \$30 million in the second quarter of 1955, most of which was treated as an offset to merchandise imports.

In contrast to most of 1954, total transactions in both merchandise trade and other current receipts in the first half of 1955 have considerably exceeded those of one year earlier.

The expansion in economic activity in Canada and the United States has been marked in the first half of 1955, while the high levels of economic activity in the United Kingdom and other West European countries have continued. In consequence, Canada's international current receipts and payments have considerably exceeded those of the first half of 1954.

In the first and second quarters of 1955 export volume exceeded that of the same quarters of 1954 by 12% and 8%, respectively, while import volume rose by 6% and 8% in the same comparison. The terms of trade improved moderately in the second quarter of 1955 relative to the same quarter of 1954, the first such improvement in the past two years.

As in the last half of 1954, however, the effect on the current account deficit of the more rapid increase in exports than in imports was partly offset by the more rapid increase in other current payments than in other current receipts.

Capital Movements: The capital movements which on balance financed Canada's current account deficit of \$320 million in the first half of 1955 were to a considerable extent short-term in nature. While direct investment inflows of \$160 million continued to be substantial and there were significant inflows for equity investment of a portfolio nature, there was a heavy outflow of capital as the result of repatriation of Canadian bonds and debentures.

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A substantial growth in holdings of Canadian dollars by non-residents and other changes in Canada's short-term assets and liabilities abroad financed two-thirds of the net current account deficit in the six-month period. There were marked differences in those short-term movements within the half year. Particularly noteworthy was a substantial movement of interest arbitrage funds to London in the first quarter, a considerable part of which returned in the second. Official holdings of gold and foreign exchange on the other hand, were reduced sharply in the first quarter but grew in the second. (9)

P R I C E S

Index Reflected Slight Advance Canada's consumer price index, based on
In Consumer Prices At August 1 average 1949 prices equalling 100, registered
 116.4 at the start of August, 0.3% above the
 July 2 level of 116.0 but 0.5% below last year's August index of 117.0.

The change during July was mainly due to an 0.8% increase in the food index to 112.4 from 111.5. There were increases for butter, eggs, grapefruit and most cuts of beef and lamb and reductions for margarine, apples and fresh vegetables, notably tomatoes and potatoes. This year's August 1 food index was 1.8% below last year's level of 114.4.

The shelter index also advanced slightly, registering 129.8 at August 1 versus 129.6 a month earlier and 127.0 at the same time last year. The increase during July reflected a small upward movement in home-ownership costs, rents showing no change. Slight changes for a few clothing items balanced each other during July to leave the clothing index at 107.8, which was 1.7% below last year's August index of 109.6.

A fractional increase in the price of coal was insufficient to raise the household operation index from its July level of 115.8, which was 1.2% under the August 1954 index of 117.2. The index of other commodities and services, however, registered 118.0 at the start of August, an increase of 0.3% over the July and August 1954 level of 117.7. The advance during July was the result of increased streetcar and taxi fares and higher hospital rates, which more than outweighed a slight decrease in the price of gasoline. (10)

Consumer Price Indexes (1949=100)

	Total Index	Food	Shelter	Clothing	House- hold operation	Other Commodities and Services
August 1, 1955	116.4	112.4	129.8	107.8	115.8	118.0
July 2, 1955	116.0	111.5	129.6	107.8	115.8	117.7
August 2, 1954	117.0	114.4	127.0	109.6	117.2	117.7

MORE

Wholesale Prices Of Industrial Materials Rose 1.4% In August

Wholesale prices of 30 industrial materials advanced 1.4% during August, the composite weekly index, on the base of average 1935-39 prices equalling 100, registering 240.6 at August 26 versus 237.2 at July 29. Leading the advance were steel scrap and copper, with smaller increases recorded for beef hides, hogs, steel bars, raw rubber, sisal, steel sheets, iron ore and bleached sulphite pulp. Decreases were recorded for raw wool, cottonseed oil, tin, oats and raw cotton. (10)

Farm Product Prices Fell 1.7% In August

Prices of Canadian farm products at terminal markets dropped 1.7% during August, the composite index, on the base of average 1935-39 prices equalling 100, registering 204.5 at August 26 versus 208.0 at July 29.

Field products were responsible for the decline, the group index receding 8.3% to 156.0 at August 26 from 170.1 at July 29 due mainly to lower quotations for potatoes. Prices of western flax, rye, and hay, and eastern corn were also lower, while declines in western barley and oats reflected the change from the interim payment for the 1954-55 crop year to the initial payment for the 1955-56 crop year. Eastern rye, wheat and barley prices moved higher in August, partially reflecting the extreme drought conditions this summer.

Prices of animal products increased 2.8% during August, the group index registering 253.0 at August 26 versus 246.0 at July 29. The main price increases were in hogs, eggs and calves, with western steers and lambs and eastern cheese milk making smaller advances. Decreases were recorded for eastern lambs and poultry and raw wool. (10)

Farm Prices Of Agricultural Products Little Changed On Average In July

Canada's index number of farm prices of agricultural products, on the base 1935-39 equals 100, is placed at 229.2 for July, down a tenth of a point from the figure of 229.3 for June. Prices were higher in the month for poultry and eggs, lower for potatoes and relatively unchanged for grains, live stock and dairy products.

Provincial indexes for Ontario, Saskatchewan, Alberta and British Columbia were higher in July than June, and all others lower. The comparative figures are: Prince Edward Island, 242.4 (244.2 for June); Nova Scotia, 233.9 (245.2); New Brunswick, 247.3 (262.4); Quebec, 268.2 (271.8); Ontario, 257.3 (256.4); Manitoba, 212.7 (212.8); Saskatchewan, 182.3 (180.8); Alberta, 209.5 (208.0); and British Columbia, 261.9 (260.7). (11)

Security Prices Off Slightly In August

General weakness in common stock prices in the first half of August was followed by a period of mixed strength. The composite investors' index for 99 issues, on the basis of average 1935-39 prices equalling 100, declined from 250.8 in the final week of July to 241.8 in the week of August 11 and subsequently recovered to 249.1 by the week of August 25, for a net loss of only 0.7%.

MORE

Among the major groups, utilities and banks were weaker while industrials were fractionally firmer. In the four-week period 14 utilities fell from 214.1 to 207.6 and 7 banks from 273.4 to 262.6, while 78 industrial issues rose from 257.0 to 257.3.

Among sub-groups, food and allied products remained relatively firm while industrial mines rose sharply in the final week. After advancing in the first week, milling stocks again eased off to July levels, while beverages, building materials and pulp and paper, following earlier losses, recovered to previous peak levels. Greatest declines over the period July 28 - August 25 occurred for textiles and clothing and oils, although the three utility sub-groups and machinery and equipment moved down moderately.

The composite index for 27 mining issues advanced 3.3% in the period under review, from 127.6 to 131.8. Strength was concentrated in the 5 base metals which moved from 246.3 to 259.7, while 22 gold stocks registered a fractional gain from 75.7 to 75.9. (10)

Security Price Indexes

<u>Investors' Price Index</u>	<u>September 1</u>	<u>August 25</u>	<u>August 4</u>
Total Common Stocks	251.7	249.1	246.9
Industrials	260.0	257.3	253.1
Utilities	210.6	207.6	210.3
Banks	262.9	262.6	269.0
 <u>Mining Stock Price Index</u>			
Total Mining Stocks	129.9	131.8	128.9
Goldts	75.5	75.9	77.4
Base Metals	254.5	259.7	246.9

L A B O U R

Federal Government Employment Classified civil servants totalled 142,928 in May this year, up from 142,384 in April and 139,450 in May last year. Their earnings in May amounted to \$38,860,365 compared to \$36,743,285 the previous month and \$35,614,242 a year earlier.

Prevailing rate employees numbered 24,977 in May against 24,164 in April and 23,640 in May last year, and their earnings stand at \$5,171,716, \$5,008,061 and \$4,955,540, respectively. Ships' crews were up in number in May to 2,306 from 2,141 the previous month and 2,218 a year earlier, and their earnings were \$561,636, \$502,924 and \$532,332. Casual and other employees increased similarly to ships' crews to 12,846 in the latest month from 12,580 in April and 12,737 last year, their earnings totalling \$2,475,982 against \$2,305,022 in April and \$2,257,091 in May 1954. (12)

Production Of Pig Iron And Steel Up Sharp In 6 Months

Swelled by further sharp increases in June, Canadian production of pig iron rose to 1,521,580 tons in the first six months of this year from 1,138,072 a year ago and steel ingots to 2,108,928 tons from 1,555,097. Production of pig iron in June increased to 275,049 tons from 167,211 and steel ingots to 381,367 tons from 264,470. (13)

Production Of Iron Castings Up

Output of iron castings rose in May and the first five months of this year over a year earlier. The month's output amounted to 83,528 tons versus 60,544, bringing the cumulative output to 363,191 tons versus 324,754. Shipments moved up to 57,563 tons in July from 41,387 and to 244,149 tons in the seven months from 205,737. (14)

More Steel Wire And Nails Shipped In June, Half-Year

Producers' shipments of steel wire in June rose to 13,684 tons compared to 10,352 tons in June last year, making a total for the half year of 72,201 against 56,850 tons in 1954. Shipments of wire fencing in the month were up slightly to 2,421 from 2,335 tons and in the six months to 12,638 from 11,981 tons, while shipments of steel wire nails increased to 9,795 from 7,512 tons in the month and to 45,618 from 36,867 tons in the half year. (15)

Fewer Cigars, More Cigarettes

Excise revenue stamp sales indicate that 12,336,781,000 cigarettes were withdrawn from bond for consumption in Canada in the first half of this year, 1,319,826,000 or almost 12% more than in the first six months of 1954. On the other hand the number of cigars withdrawn dropped by nearly 2% to 118,381,000 from 120,473,000 last year.

Tax-paid withdrawals of cut smoking and chewing tobacco increased to 12,792,000 pounds in the first half from 12,652,000 a year earlier, but smoking chewing and twist plug tobacco decreased to 825,000 pounds from 868,000 and snuff to 419,000 pounds from 442,000. Tax-paid withdrawals of raw leaf tobacco were unchanged from last year's first half at 535,000 pounds. At the end of June stocks of unmanufactured tobacco totalled 202,793,120 pounds versus 190,540,411 pounds on the same date last year, holdings of burley and pipe tobacco being smaller and stocks of flue-cured, dark, cigar and other types larger. (16)

Value Of Shipments By Awning, Tent And Sail Industry At New High In 1953

Factory value of shipments by the 116 establishments in Canada's awning, tent and sail industry in 1953 grossed a record \$ 12,392,000 versus \$ 11,282,000 in the preceding year. Employment was up to 1,579 from 1,521 and the payroll to \$ 3,323,000 from \$ 2,978,000.

Tarpaulins were the most important single product, rising in value to \$ 2,551,000 from \$ 2,416,000, followed by awnings at \$ 1,976,000 (\$ 1,715,000 in 1952); tents, \$ 1,161,000 (\$ 994,000); bags, \$ 790,000 (\$ 924,000); sleeping bags, \$ 740,000 (\$ 448,000); flags, bunting and pennants, \$ 490,000 (\$ 369,000); venetian blinds, \$ 141,000 (\$ 141,000); window blinds, \$ 138,000 (\$ 153,000); and life buoys and jackets, \$ 123,000 (\$ 120,000). (17)

Shipments Of Soaps And Synthetic Detergents Factory shipments of soaps and synthetic detergents by principal Canadian producers were valued at \$4,326,379 during July, 1955. Soaps accounted for \$1,854,605 or 43% of this total, while synthetic detergents accounted for \$2,471,774 or 57%

MINERALS

Iron Ore Shipments Up Sharply Shipments of iron ore from Canadian mines in July amounted to 2,368,584 tons, almost treble last year's corresponding tonnage of 830,099. This brought January-July shipments to 6,458,632 tons versus 2,586,146 a year ago. Ore shipped for export climbed to 2,170,479 tons in July from 693,453 last year and to 5,850,137 tons in the seven months from 2,058,756. Shipments of ore to Canadian consumers rose to 198,105 tons in July from 136,646 and to 608,495 tons in the seven months from 527,390. End-of-July stocks were 1,990,245 tons versus 1,478,196. (18)

TRANSPORTATION

Carloadings Up 14% There were 84,436 railway cars loaded in Canada in the August 15-21 period this year, 9,622 or 14.2% more than a year earlier. This put cumulative 1955 loadings at 2,502,085 cars, a 9.1% increase over the 2,292,384 cars loaded in the same period last year. Cars received from foreign connections increased 14.8% to 30,872 from 26,898 in the August 15-21 period and 12.4% to 1,034,102 from 920,087 in the cumulative period.

In the August 15-21 period loadings from Port Arthur, Ontario, east increased 18.7% to 57,268 cars from 48,236, with more cars of iron ore; sand, gravel and crushed stone; automobiles, trucks and parts; and miscellaneous carload commodities; but fewer cars of grain. West of Port Arthur loadings rose 6% to 28,168 cars from 26,578 a year earlier, increases in iron ore, gasoline, and lumber, timber and plywood outweighing decreases in grain and coal. Receipts from connections were up 13.4% to 26,123 cars from 23,033 in the east, and 22.9% to 4,749 cars from 3,865 in the west. (19)

Electric Railways In 1953 Passenger traffic on Canadian transit lines dropped by 2.9% in 1953 but operating revenues rose by 3.8% to pass the \$100,000,000 mark for the second consecutive year, according to the annual report on electric railways. The number of fares fell to 1,076,979,055 from 1,109,299,866 in 1952, continuing the decline evident since 1946, when fares numbered 1,344,916,773. Operating revenues increased to \$107,990,692 from \$104,028,691 in 1952, while operating expenses increased 3.9% to \$105,027,443 from \$101,110,712, net operating revenue improving to \$2,963,249 from \$2,917,979. The post-war period has been characterized by a change-over from electric streetcars to buses, and today the bus is the principal vehicle of mass transportation in most Canadian cities and towns. In 1946 only 19% of the total transit passengers rode in motor and trolley buses, and by 1953 the proportion going by bus had risen to 51% (20)

Border Crossings Up 19% In July And 13% In 7 Months Volume of highway traffic crossing the border into Canada from the United States was about 19% heavier in July than in the corresponding month last year. In the January-July period the increase was 13%. The July number was 2,486,722 versus 2,097,680, bringing the cumulative total to 8,716,061 versus 7,711,103. Foreign vehicles entering Canada increased to 1,531,814 in July from 1,385,643 and to 4,902,391 in the seven-month period from 4,517,824. Re-entries of vehicles registered in Canada rose to 954,908 in July from 712,037 and to 3,813,670 in the seven months from 3,193,279.

Traffic between Canada and the United States by rail, through bus, boat and plane was between 3 and 4% heavier in June than in the corresponding month of 1954. There was an increase of over 8% in the number of foreign travellers entering Canada and a decrease of nearly 3% in the number of Canadians re-entering Canada by these means of transportation. Cumulative data for the first six months of this year show gains in the number of entries of foreign travellers for all types of carrier except rail where the rate of decline was over 2%. Cumulative re-entries of Canadian travellers were slightly lower than in 1954 as all types of transportation recorded decline except re-entries by plane where the increase was nearly 18%. (21)

P R O D U C T I O N

Industrial Production Up 9.2% This June, 4.6% In First Half Canadian industry produced 9.2% more in June than in the same month last year and output in the first half averaged 6.4% above the 1954 level, according to preliminary figures on the composite index of industrial production. The index, which is on the base of average 1935-39 production equalling 100, registered 275.7 for June as compared with 252.5 a year earlier, and averaged 256.4 for the first six months of 1955 as against 241.0 for the first half of 1954. Mineral output increased 14% in June and 13% in the first half, electricity and gas production 5.4% in June and 10.6% in the half-year, and manufacturing output 8.6% in June and 4.8% in the first six months. In non-durable manufacturing production was up 7.1% in June and 5% in the first half, while in durable goods output increased 10.5% in June and 4.6% in the first half.

Among non-durables, output in the textiles group jumped 23% this June, while gains of 18% were recorded in tobacco and rubber products. Activity in the clothing industry was 8% above last year's June level, and smaller increases were recorded in chemical products, foods and beverages and paper products. Production in the printing and publishing field showed little change from last year's June level. Among durables, all industrial groups increases production this June. Transportation equipment led with an advance of 17%, followed by non-metallic minerals with a gain of 16%. The wood products and iron and steel industries each recorded increases of 11%, while production in the non-ferrous metals and electrical apparatus groups showed smaller advances.

(Publications are numbered similarly to news items to indicate source of latter)

- 1 - Telegraphic Crop Report, Canada, 10¢ -- Released September 7
- 2 - M: Second Estimate of the Commercial Production of Fruits, 1955, and Report on Condition of Fruit Crops in August, 10¢
- 3 - M: Production of Eggs, July, 10¢
- 4 - M: Grain Milling Statistics, July, 10¢
- 5 - M: Grain Statistics Weekly, August 24, 10¢
- 6 - M: Stocks of Dairy and Poultry Products in Nine Cities, Advance Statement, September 1, 10¢
- 7 - Trade of Canada: Monthly Summary of Foreign Trade, June, 10¢
- 8 - Trade of Canada: Imports for Consumption, June, 20¢
- 9 - Quarterly Estimates of the Canadian Balance of International Payments, Second Quarter, 1955, 25¢
- 10- Price Movements, August, 10¢
- 11- M: Index Numbers of Farm Prices of Agricultural Products, July, 10¢
- 12- M: Federal Government Employment, May, 10¢
- 13- M: Production of Pig Iron & Steel, June, 10¢
- 14- M: Iron Castings & Cast Iron Pipes & Fittings, May, 10¢
- 15- M: Steel Wire & Specified Wire Products, June, 10¢
- 16- Quarterly Stocks & Consumption of Unmanufactured Tobacco, June, 25¢
- 17- Awning, Tent & Sail Industry, 1953, 25¢
- 18- M: Iron Ore, July, 10¢
- 19- M: Railway Carloadings, August 15-21, 10¢
- 20- Electric Railways, 1953, 50¢
- 21- Travel Between Canada & the United States, July 20¢
- Canadian Statistical Review, August, 35¢
- Trade of Canada: Volume II, Exports, Year Ended December 31, 1954, \$2.00.
- Man-Hours & Hourly Earnings with Average Weekly Wages, June, 25¢
Summarized in Bulletin of September 2
- Trade of Canada: Articles Exported to Each Country, Six Months Ended June, 50¢
- M: Memorandum

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53% More Apricots The apricot crop, produced entirely in British Columbia, is expected to reach 180,000 bushels this year, 53% larger than the 1954 yield of 118,000 bushels.

Maple Sugar Output Down Farm output of maple sugar fell 30% this year to 817,000 pounds from 1,175,000 pounds in 1954, a substantial increase in New Brunswick being outweighed by decreases in Nova Scotia, Quebec and Ontario.

More Camp Furniture Output of camp furniture by the awning, tent and sail industry jumped in value to \$37,100 in 1953 from \$4,839 in the preceding year.

Gambia Buys More Canadian exports to Gambia--mainly wheat flour and farm implements -- increased in value to \$29,004 in the first half of this year from \$22,735 in the first six months of 1954.

Cut Flower Exports Up Canada exported \$11,863 worth of cut flowers in the first six months of 1955, a sharp increase over the \$3,455 worth sold in the first half of last year. Exports to the United States rose to \$11,847 from \$3,391, but sales to Bermuda fell to \$16 from \$64.

Camelback Sold To 6 Countries Canada sold 1,153 cwt of camelback worth \$36,224 to Colombia, Jamaica, Hong Kong, Lebanon, the Netherlands Antilles and the United States in the first half of 1955 versus 887 cwt worth \$25,940 exported to Colombia, Costa Rica, Venezuela, Ecuador, Lebanon and the Netherlands Antilles a year earlier.

Less Hay Exported Half-year exports of hay dropped to 120,953 tons worth \$1,984,841 this year from 158,951 tons worth \$2,839,675 in 1954.

Quicklime Pulp and paper mills bought 617,466 tons of quicklime last year versus 523,373 tons in 1953, factory value increasing to \$2,771,565 from \$2,505,218.

U.S. Motorists In Canada

Last year 2,416,816 motorists from the United States visited Canada. Exclusive of commuters, summer residents and locals, 1,025,423 or 42% remained for three or more days.

The motorists came from every state, New York cars being the most numerous (517,998) and cars from Nevada the least numerous (1,189).

In relation to the number of cars registered in each state, Vermont led by a wide margin, entries of Vermont cars representing 77.3% of Vermont registrations. Mississippi and South Carolina trailed with percentages of 0.4%.

The average length of stay ranged from 3.85 days for New Hampshire cars to 12.66 days for Florida cars.

Estimated expenditures in Canada ranged from \$107,559 for motorists from Arkansas to \$26,811,576 for motorists from New York.

Average expenditure per car, however, ranged from a low of \$13.75 for Vermont cars to a high of \$117.83 for Nevada cars.

On the other hand, average expenditure per car per day ranged from a low of \$3.24 for Vermont cars to a high of \$17.49 for New Jersey cars.



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