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# LEATHER PRODUCTS 

## 1959

## GENERAL REVIEW



Published by Authority of
The Honourable George Mes, Minister of Trade and Commerce

DOMINION BUREAU OF STATISTICS
Industry and Merchandising Division

## PUBLICATIONS

The results of the annual Census of Industry are published by the Dominion Bureau of Statistics in a series of industry reports which are released each year as the compilations are completed. Reports for industries classifled to the Leather Products Major Group are listed below, along with current and annual publications of related Interest. Similar reports are Issued for other industrles. A complete catalogue of publications of the Bureau is available on request from the Information Services Division, Dominion Bureau of Statistics, Ottawa, of from the Queen's Printer, Ottawa.

| A - Annual |  | M - Monthly |
| :--- | :--- | :--- |
|  |  | Title |
| Catalogue |  |  |
| number |  |  |

Remittances should be in the form of cheque or money order, made payable to the Receiver General of Canado and forwarded to the Information Services Division, Dominion Bureau of Stotisties, or to the Queen's Printer, Ottawa, Canada.

## EXPLANATORY NOTES

This report is one in a series of about 130 publications which present the results of the 1959 Census of Manufactures. Most reports in this serles refer to specific Industries, but there are summary reports for Canada and the provinces and for malor industry groups. An annual Census of Manufactures has been carrled out by the Dominion Bureau of Statistics since 1916.

Industry statistics given in these reports refer to number of establishments, employees, salaries and wages, cost of materials, supplies, fuel and electricity, gross value of shipments, inventories and value added by manufacturing. Details of materlals used and products shipped are also given. Descriptions of the principal industry statistics, with special reference to 1959 ate as follows:

## Period Covered

Firns are asked to submit figures for the calendar year, if at all possible, and most reports are on this basis. Financial year reports for periods differing from the calendar year are accepted in instances where the firms find it impossible to supply calendar year data from accounting records. However the data on employees, salaries and wages are requested on a calendar year basis in all cases.

## Establishment

Data for the annual census is collected on an establishment basis. A firm with more than one plant is required to file a report for each plant. In most cases an establishment is a complete factory. Sometimes, however, a plant is divided into two of more establishments when it carfles out operations classifiable to different industries and when sepapate accounting records are avallable. Usually the statistics for an establishment relate only to the manufacturing activities. Other activities such as construction at the plant by its own employees, wholesale or retall activities carried on at the plant location, etc., afe not included. Plants engaged solely in repair work (except in the case of furniture, shipbuilding, boat building, alrcraft and railway polling stock industrles) are not included but plants occupied in assembling parts into complete units are included.

## Employees

Administrative and office employees include all executives and supervisory officials such as presidents, vice-presidents, secretaries, treasurers, etc. together with managers, professional and technical employees, superintendents and factory supervisors above the working foremen level and clerical employees. Working owners and partners are also included in this category.

Production and related workers include all other factory workmen whether paid on a monthly. weekly, hourly or piece-work basis. Working foremen doing work similar to that of the employees they supervise are included, as are maintenance, warehousing and delivery staffs. Employees on new construction work, in retail or wholesale operations, on outslde plece work etc., are not included.

Production workers are reported by months, an average for the year being obtained by summing the monthly figures and dividing by twelve. This procedure is followed even though the plant did not operate in all months. Figures on employment refer to calendar years whether or not some establishments reported other data on a IInancial year basis.

## Salaries and Wages

Salaries and wages refer to gross earnings of the employees described above, including salaries, wages, commissions, bonuses, the value of foom and board where provided, deductions for income tax and social services such as sickness and unemployment insurance, pensions, etc., as well as any other allowances forming part of the employees' wages. Payments for overtime are included.
salaries refer to amounts paid to administrative and office employees. Withdrawals by working owners or partners for normal living expenses for self and family are included but not the if withdrawals for income tax. Wages refer to the amounts pald to production and related workers as defined above. Data on earnings refer to the calendar year whether of not some establishments reported other data on a finencial year basis.

## Cost of Fuel and Electricity

Figures for fuel refer to amounts actually used, (including fuel used in cars and trucks), not to purchases unless the quantities are the same. Values refer to the laid-down cost at the works, including freight, duty, etc.

## Materials and Supplies Used

Figures represent quantitles and laid-down cost values, at the works, of materials and supplies actually used during the year whether purchased from others or received as transfers from other plants of the reporting company. Amounts paid to other manufacturers for work done on materials owned by the reporting company are included. Returnable containers or any other items charged to capital account are not included. Fuels are not included. Goods bought from others or received as transfers from other plants of reporting companies for resale without further processing are not included. Maintenance and repair supplies not chargeable to capital account are included.

## Factory Shipments

Factory shipments refer to shipments of goods made from own materials either in the reporting plant or by other manufacturers on the basis of a charge to the reporting plant for work done. All products and by-pruducts shipped from the establishment are included whether for domestic use, export, or for government departments. Transfer shipments to sales outlets, distributing warehouses or to other manufacturing units of the reporting firm are included. Goods bought or received as transfers and resold without further processing are not included. Values are computed on 1.o.b. plant or
plant warehouse basis, and do not include sales tax or excise duties. Values of containers not returnable are included. Amounts received in payment for work done on materials owned by others are included.

In a few industries such as shipbuilding, aircraft, etc., where work on principal products extend over a relatively long period, the value of production is recorded rather than the value of shipments. For those industries production is computed from the value of deliveries of complete units during the year plus the value of work done during the year on unfinished units less the value of work done in: previous years on finished units delivered in the year under review.

## Inventories

Values represent the book values of manufacturing inventories owned and held at the reporting plant. Figures include inventories held in warehouses or selling outlets which have been included with plant operations for purposes of reporting shipments.

## Value Added by Manufacturing

Figures are computed from value of shipments plus or minus changes in inventories of finished goods and goods in process less cost of materials, fuel and electricity. This figure is sometimes referred to as net production. ${ }^{\text {? }}$

## Standard Industrial Classification

The Standard Industrial Classification Manual, prepared by the Dominion Bureau of Statistics, provides for 135 three-digit industries in the manufacturing sector, arranged in 17 major groups. Reporting establishments are classifled or allotted tc specific industries on the basis of the value of principal products made or shipped.

## Short Forms

Between 1949 and 1957, in an effort to ease the reporting burden for smaller firms, a short form was used asking for the total value of shipments only or, in a few cases where losses of detail were significant, for quantities and values of principal products. For purposes of publication, missing data were estimated on the basis of appropriate ratios. In general the cut-off point for these short forms was set at $\$ 50.000$ value of shipments. About $40 \%$ of the total number of establishments reported on the short form and accounted for less than 3 per cent of the total value of shipments.

In 1958, in order to establish a new base year, the small firms were asked to report all items of principal statistics together with some detail on materials and products.

[^0]For the 1959 Census, the short form was used again, but further steps were taken to ease the respondents' burden. First, the general limit for short forms was raised to $\$ 100,000$ value of shipments. In addition, a new intermediate form was developed. This form is a shortened version of the long form in that most of the general questions were pared down and the detailed lists of materials and products were limited to the more important items. The general limits for firms in this category were set at between $\$ 100,000-\$ 500,000$ value of shipments, but in the case of both the short and intermediate forms there were lower cut-offs for a number of industries in which the smaller firms accounted for a larger share of total shipments. On the other hand, limits were raised where this could be done without a significant loss of coverage. On most of the short forms for 1959, in addition to total value of shipments, data on principal products were requested. In a few industries, where loss of employment and earnings data were considered too large because of higher cut-offs, a question on total payroll was placed on the short form.

The intermediate and long forms provide complete data for the compilation of all elements of principal industry statistics and the details of materials and products. The one-page short form, although containing data on principal products and total value of shipments, does not request information on other elements of principal statistics such as value of inventories, materials, fuel and electricity and, in most cases, employment and salaries and wages, nor does it contain detailed data on volume and value of materials used. For purposes of compiling aggregates of principal statistics by industry and by geographic location, the missing data for each establishment were estimated for 1959 by using, in general, ratios based on the change in the value of shipments between 1958 and 1959. The proportion of the estimated data was generally less than 5 per cent of the total in each category of principal statistics.

The general request for the principal items of products on the short form for 1959 permitted a fairly complete compilation of the detailed quantities and values of commodity shipments. In the case of the detailed quantities and values of materials, fuel and electricity, however, and the monthly distribution of production workers, only the totals of data actually reported on the intermediate and long forms are contained in published reports and no attempt was made as in past years to estimate the generally small proportion of individual totals represented by detailed items omitted from the short forms.

The new approach has relieved an additional 12,000 establishments from filling out the regular long form. Establishments now receiving the short form number $i n$. excess of 20,000 and account for more than 54 per cent of the total number of establishments and a little more than 3 per cent of the total value of shipments.

# LEATHER PRODUCTS 1959 

## GENERAL REVIEW

The Leather Products Group of industries falls naturally into two sections: the "primary", consisting of only one industry, Leather Tanning; and the "secondary", which comprises the industries that produce consumer goods from tanned leather. These latter are Shoe Factories, Leather Glove Factories, Leather Belting Manufacturers, Boot and Shoe Findings Manufacturers and Miscellaneous Leather Products Manufacturers.

The Leather Products Group reported a fairly substantial increase in the gross value of shipments f.o.b, plant in 1959 , the $\$ 271,175,005$ shown being 9.9 per cent above the $\$ 246,826,765$ recorded in 1958.

The number of establishments teporting, 586 , was 12 less than the comparable 1958 total of 598 . However, the number of employees increased by 861 , or 2.9 per cent, from 30,151 to 31,012 , and their salaries and wages jumped by 5.1 per cent from $\$ 78,683,799$ in 1958 to $\$ 82,735,223$ in 1959. The total cost of materials and supplies used in manufacture rose sharply by 15.3 per cent from $\$ 124,663,736$ to $\$ 143,765,770$ in the year under review, whereas the amount paid out for fuel and electricity, $\$ 2,264,325$, was less than one per cent below the similar outlay of $\$ 2,274,407$ in 1958 .

The gross value of factory shipments made in 1959 by the Leather Tanneries, $\$ 59,282,857$, was a healthy 13.2 per cent higher than the like 1958 figure of $\$ 52,392,265$. The cost of materials and supplies used also rose, from $\$ 30,664,745$ to $\$ 39,088,879$, an increase of 27.5 per cent. On the other hand total salaries and wages decreased by 3.1 per cent, from $\$ 12,978,779$ to $\$ 12,580,138$; employment dropped from 3.714 to 3,603 ( 3.0 per cent) and payments for fuel and electricity decreased from $\$ 1,086,671$ in 1958 to $\$ 1,062,863$ in 1959.

Taken as a whole, the secondary section of the Leather Products Group reported 538 establishments, 10 less than in 1958. The number of employees increased during the same period by 3.7 per cent, from 26.437 to 27,409 , and their aggregate wages rose by 6.8 per cent, from $\$ 65,705,020$ to $\$ 70,155,085$.

The volume of factory shipments increased in all of the leather industries with the exception of Leather Belting. The number of pairs of footwear and of gloves shipped increased by 4.3 and 6.0 per cent respectively. In the Miscellaneous Leather Products Industry, where the variety of products shipped renders it difficult to make a comparison on the basis of value, there were increases in shipments of leather handbags, plastic handbags, custom-built luggage and brief cases. The overall value of shipments within this particular industry increased by 8.3 per cent from $\$ 28,756,654$ in 1958 to $\$ 31,130,814$ in 1959.

TABLE 1. Principal Statistics of the Leather Products Group, of Industries, 1958 and 1959

| Industry | Estab-lishments | Employees | Salaries and wages | Cost of fuel and electricity used | Cost at plant of materials used | Value added by manufacture | Gross value of shipments |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | number |  | dollars |  |  |  |  |
| Primary: |  |  |  |  |  | $20,349,764$ | $52,392,265$ |
| Leather tanning | 50 | 3,714 | 12,978,779 | 1,086,671 | 30,664,745 |  |  |
| Secondary: |  |  |  |  |  |  |  |
| Leather belting | 13 | 141 | 493; 851 | 26,886 | 533, 348 | 589,279 | 1,138,717 |
| Leather boot and shoe findings .... | 30 | 785 | 2,061,441 | 99,461 | 4,276,036 | $2,965,520$ | 7, 344,982 |
| Leather footwear | 247 | 20,131 | 50, 274, 256 | 788,338 | 70,836, 470 | $75,268,692$ | 147, 242, 239 |
| Leather gloves and mittens | 62 | 1. 509 | 3,245,497 | 62,572 | 4,931,274 | 4, 866,625 | 9,951,908 |
| Miscellaneous leather products | 196 | 3,871 | 9,629,975 | 210.479 | 13,421, 863 | 15, 048, 515 | 28, 756,654 |
| Totals, secondary industries | 548 | 26,437 | 65,705,020 | 1,187,736 | 93,998,991 | 98,738,631 | 194, 434,500 |
| Totals, leather and products ... | 598 | 30, 151 | $78,683,799$ | 2,274, 407 | 124, 663, 736 | 119,088,395 | $246,826,765$ |
| Primary: |  |  |  |  |  |  |  |
| Leather tanning | 48 | 3,603 | $12,580,138$ | 1,062,863 | 39,088, 879 | $20,248,845$ | $59,282,857$ |
| Secondary: |  |  |  |  |  |  |  |
| Leather belting .............................. | 12 | 120 | 423,476 | 26,912 | 426, 741 | 562,568 | 1,044,545 |
| Leather boot and shoe findings .... | 29 | 770 | $2,199,255$ | 98,080 | 4,173,320 | 3, 523, 103 | 7, 706, 884 |
| Leather footwear | 246 | 20,876 | 53, 500, 469 | 801, 148 | 80, 256, 533 | 83, 326, 329 | $161,459,556$ |
| Leather gloves and mittens | 61 | 1,518 | 3,467,693 | 59,165 | 5,274,412 | $5,386,461$ | 10,550,349 |
| Miscellaneous leather products ... | 190 | 4,125 | $10,564,192$ | 216, 157 | 14,545,885 | 16,765, 031 | $31,130,814$ |
| Totals, secondary industries | 538 | 27.409 | 70, 155,085 | 1,201,462 | 104, 676,891 | 109,563,492 | 211,892,148 |
| Totals, leather and products ... | 586 | 31.012 | 82, 735, 223 | 2,264,325 | 143, 765, 770 | 129,812,337 | 271, 175,005 |


[^0]:    ${ }^{1}$ To arrive at the National Accounts concept of "gross domestic product at factor cost". it would be necessary to subtract also the cost of office supplies used, advertising, insurance and other goods and services obtained from other businesses. Data on these inputs are not collected on the annual Census of Manufactures. Value added figures for "The primary industries and construction" are published in D.B.S. publication $61-202$, Survey of Production.

