

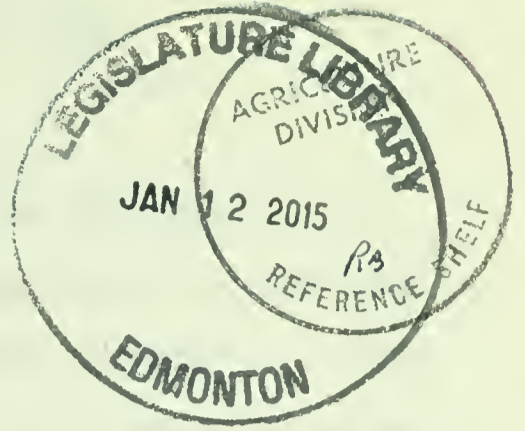
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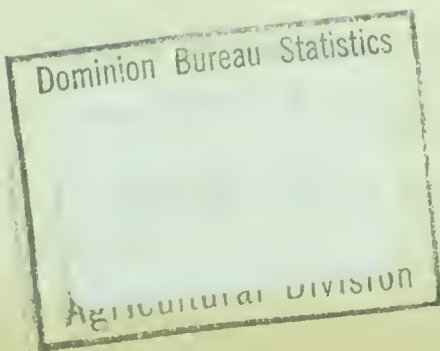
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REVIEW OF BUSINESS CONDITIONS

ALBERTA - 1954



Prepared by Bureau of Statistics,
Department of Industries and Labour,
Edmonton, Alberta.
January 14, 1955.

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REVIEW OF BUSINESS CONDITIONS - ALBERTA - 1954

It has become somewhat trite to say that after the succession of years during which established records were annually broken, that the economy of the country was due for a period of consolidation and adjustment. To some extent this may be true of the Canadian economy: production had fallen so far behind demand that a sellers' market prevailed for the post-war period. It must be clearly recognized however, that world conditions have radically altered. Production of agricultural foodstuffs in European countries and other war-devastated areas is back to normal. Industrial production in non-North American countries is back on a peace-time basis and is solidly competitive in both domestic and export markets. Conditions for both agriculture and manufacturing industries were abnormal from 1946 to 1953, and economic conditions as they obtained throughout 1954 were of the type that will be faced throughout the ensuing peace-time period. It follows, therefore, that an approach to problems more dynamic than that summed up by the phrase "facing a period of consolidation and adjustment" must be taken by manufacturers, farm leaders, and labour leaders, alike.

Of course local projects will have effects of longer or shorter duration. The work on the building of the St. Lawrence seaway and on the Trans-Canada pipe line and subsidiary gas gathering lines, should have a marked effect on employment throughout the next few years. Manufacturing industries supplying materials for these projects will also be favourably affected.

Economic activity in Alberta during 1954 fell below that of 1953 but by the end of the year there were indications that the upward trend had been resumed. Figures for the twelve months are not yet complete but preliminary estimates of production during the year and economic indicators already compiled of activity during the later months, admit of generally optimistic interpretation.

Farmers' cash income suffered a serious decline. Mineral production increased substantially. Industrial production continued its steady development. Forestry production declined, in part at least because of unfavourable weather conditions rather than because of slackening demand. Fishery production increased in value, while fur trapping fell off markedly from levels

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attained over past years. Electric power production and consumption and the development of power projects, maintained their continuous rate of progress. While the weather during the year was so generally unfavourable as to delay the progress and completion of all the construction projects contemplated for the year, new building records were established. Retail, wholesale and transportation services generally fell below the levels attained in 1953, but by the end of the year a general pickup in activity was evident.

Both population (1,039,000 in 1954 as compared with 1,002,000 in 1953) and the labour force continued to grow. Consumption, production and employment figures must be considered in light of this fact.

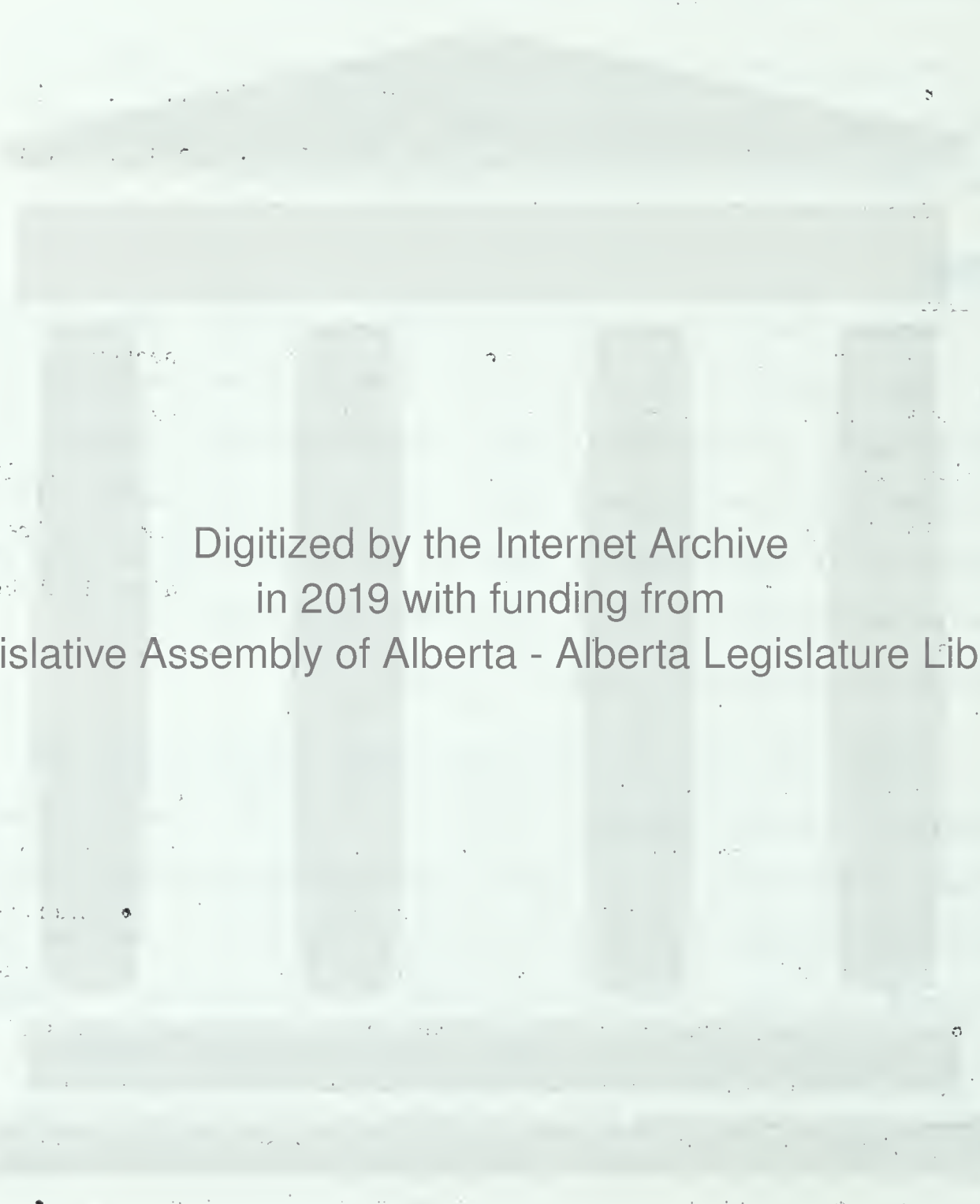
AGRICULTURE:

Most seriously affected throughout 1954 was the farm sector of the economy. Cash income from major farm revenue sources has been estimated by the Dominion Bureau of Statistics at \$394.1 million for 1954 as compared with \$491.5 million in 1953, a decline of 19.8%. This decrease is almost entirely attributable to the slow movement of grain for sale by the Canadian Wheat Board. Livestock sales more than held their own for the eleven months, but the markets have been significantly weaker in recent months.

Although the lower grain production on the prairies during 1954 will alleviate the storage problems, and show up favourably on the grain carry-over figures at the end of the crop year, it most certainly will not improve the cash income position of the farmer over either the short or the long run. It is reported that many country general stores are now operating on a strictly cash basis. Up to the end of July, sales in these stores were reported fractionally higher than during 1953. By the end of October the ten month figure was 3.6% below that of 1953, and October sales alone were 13.1% lower. The decreases in farm income, and farm income prospects, are notable in the significantly lower agricultural machinery sales, and are generally evident in all other lines of retail trade.

MINERALS:

The 1954 preliminary estimate of mineral production was recently released by the Dominion Bureau of Statistics. Mineral production in Alberta increased in value from \$196.8 million in 1952 to \$248.9 million in 1953. 1954 value of production increased to an estimated \$281.5 million. In 1952



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Alberta accounted for 15.3% of total Canadian production; by 1954, for 19.5%. In 1953 Alberta placed third after Ontario and Quebec in value of mineral production, but during 1954 Alberta surpassed Quebec despite the fact that production started from the iron deposits in that province during the year.

With no alternative markets as yet developed, a significant decline was registered in coal production: from \$32.1 million in 1953 to \$26.6 million in 1954. This decline was more than offset by increased crude petroleum and natural gas production: from \$200.5 million in 1953 to \$238.6 million in 1954. The crude oil was flowing by pipeline to Ontario and the Pacific coast throughout the full year. The problem of developing major export markets is receiving attention.

Development of the Pembina oil field was slowed by unfavourable weather throughout the first part of the year. It is estimated that the field contains reserves of 762,000,000 barrels of crude oil.

Perhaps of great significance in the long run is the discovery of a major low-grade iron deposit in the Peace River district of Alberta.

MINERAL PRODUCTION - ALBERTA - 1953 & 1954

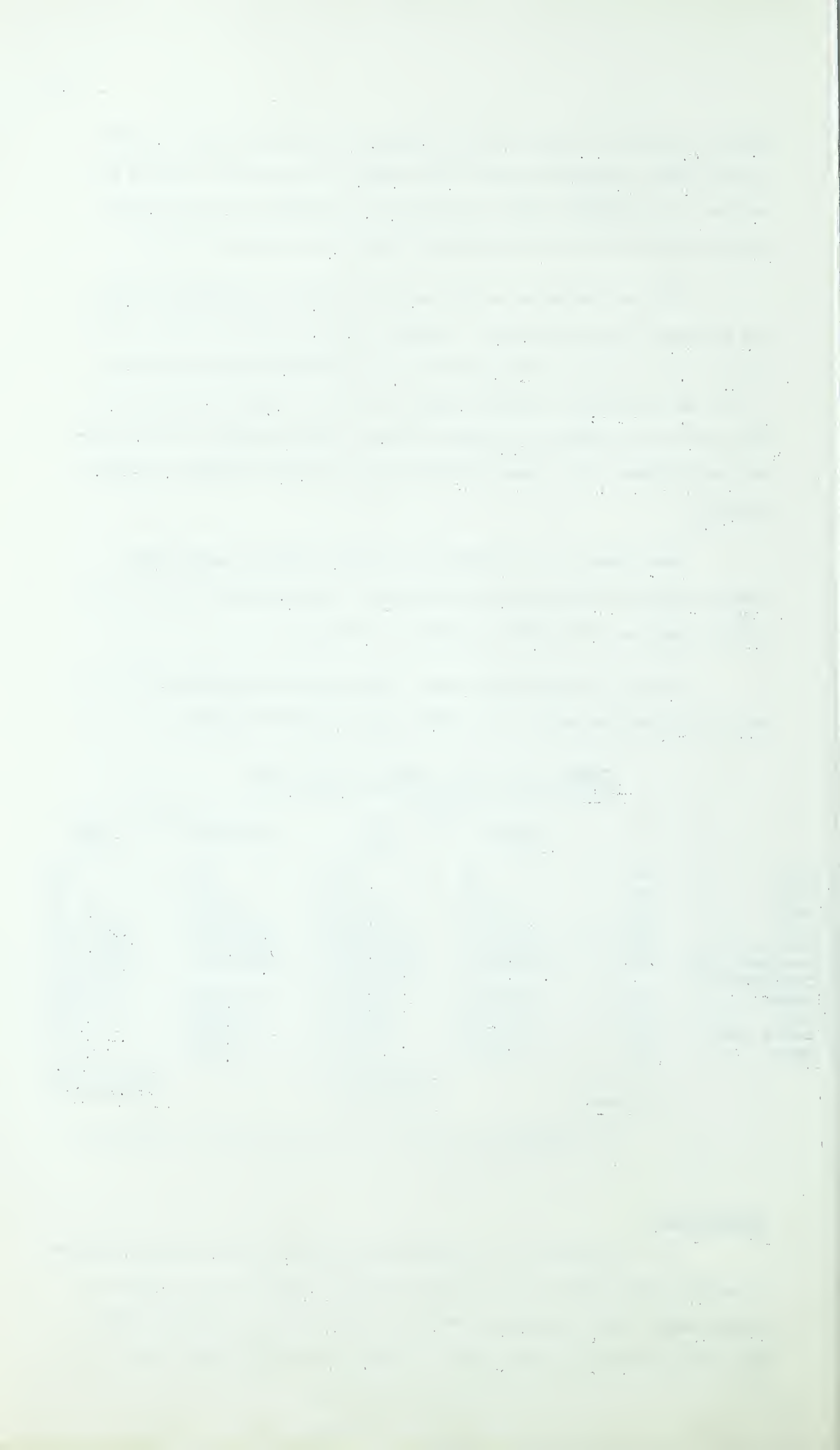
		1953 ⁽¹⁾		1954 ⁽²⁾	
		<u>Quantity</u>	<u>Value</u> \$	<u>Quantity</u>	<u>Value</u> \$
Gold	oz.	65	2,237	199	6,780
Silver	oz.	6	5	17	14
Salt	ton	24,885	601,515	30,125	707,125
Coal	ton	5,917,474	32,110,429	4,871,000	26,569,000
Natural Gas	m.cu.ft.	89,651,605	6,723,870	109,221,000	8,191,575
Petroleum, crude	bbl.	76,816,383	193,761,644	87,600,000	230,388,000
Clay products			2,135,085		2,239,284
Cement	bbl.	3,098,664	7,915,227	3,000,000	7,620,000
Lime	ton	29,263	430,924	31,661	511,415
Sand & Gravel	ton	7,651,261	5,097,720	7,058,884	5,149,745
Stone	ton	18,833	84,639	19,460	78,700
<u>T O T A L:</u>			<u>\$ 248,863,295</u>		<u>\$ 281,461,638</u>

(1) Final:

(2) Preliminary estimate of the Dominion Bureau of Statistics:

MANUFACTURING:

It is likely that the increased gross value of manufacturing production in Alberta during 1954 will be due to new manufacturing plants beginning operations rather than to large increases in the production of established firms. Flour mills report lower production: to some extent offset by increased pro-



duction in the meat packing plants and dairy factories. Oil refineries report a ten month period decrease in volume of products of about 1.5%. Sawmill production was 9.5% below the 1953 mark at the end of November and felt the effect of unfavourable weather conditions during December, usually one of the four months of major activity. Clothing manufacturers report reduced sales. In the iron and steel working industries activity was above the 1953 level, but the transportation industry reports lessened activity partly due to dieseli- zation of the railways and reduced volume of railway freight business. The major increases were shown by the chemical industries with large scale pro- duction begun in 1954 in Edmonton, Calgary and Fort Saskatchewan. On balance it appears that the \$550.0 million manufacturing production estimated by the Dominion Bureau of Statistics for 1953 will be exceeded in 1954. The following table gives final 1952 figures, a preliminary estimate by the Dominion Bureau of Statistics for 1953, and an estimate by the Alberta Bureau of Statistics for 1954, by industrial groups.

GROSS VALUE OF MANUFACTURING - ALBERTA, 1952-1954

<u>INDUSTRIAL GROUP</u>	1952	1953	1954
	(Final)	(Preliminary D.B.S.)	(Estimated A.B.S.)
	\$	\$	\$
Foods & Beverages	259,319,000	263,413,000	265,000,000
Leather Products	258,000	260,000	260,000
Textiles	2,846,000	2,941,000	2,800,000
Knitting Mills	367,000	357,000	300,000
Clothing	7,245,000	7,333,000	7,000,000
Wood Products	57,614,000	61,921,000	58,000,000
Paper Products	6,455,000	7,488,000	8,000,000
Printing, Publishing & Allied Products	15,918,000	16,951,000	17,500,000
Iron and Steel Products	26,865,000	32,466,000	34,000,000
Transportation Equipment	21,610,000	25,034,000	22,000,000
Non-ferrous Metal Products	1,379,000	1,462,000	3,000,000
Electrical Apparatus & Supplies	465,000	572,000	700,000
Non-metallic Mineral Products	23,450,000	29,429,000	30,000,000
Products of Petroleum and Coal	81,009,000	81,728,000	86,000,000
Chemicals and Allied Products	11,031,000	14,191,000	30,000,000
Miscellaneous Industries	2,580,000	2,794,000	2,800,000
T O T A L:	\$ 518,411,000	548,340,000	567,360,000

Accompanying this review is a preliminary list of ninety manufacturing plants and extensions which began operations in Alberta during 1954, or which are under construction to begin operations in 1955. The ninety firms represent an investment of approximately \$94.0 million and provide work for about 2,300 persons. By centres the investment will be: Edmonton \$45.0 million; Calgary \$15.0 million; Lethbridge \$1.6 million; Red Deer \$1.5 million; Medicine Hat

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Date	Description	Amount	Balance
1890			
Jan 1			
Feb 1			
Mar 1			
Apr 1			
May 1			
Jun 1			
Jul 1			
Aug 1			
Sep 1			
Oct 1			
Nov 1			
Dec 1			

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\$25.0 thousand; and other centres \$30.9 million. By employment opportunities Calgary ranked first with 1,140; Edmonton 610; Lethbridge 220; Red Deer 46; Medicine Hat 15; and other centres 310. Perhaps most significant is the volume of investment and job opportunities to be offered, at the "other centres".

ELECTRIC POWER:

On the last page of the new industries summary is a list of electric power projects completed or under way. Electric power consumption in the province continued to increase rapidly: at the end of the first ten months it was 14% above the 1953 total. Over 6,000 farms were connected to power lines during the year, and the total number at the end of the year reached 30,504.

CONSTRUCTION:

Despite a slow start and unfavourable weather during the summer months activity in the construction industry was substantial. At the end of December the dollar value of building permits issued in the seven cities reached \$131.1 million compared with \$113.8 million in 1953. The prolonged Indian summer allowed work to continue much later into the winter than usual. Construction contracts awarded which had been 15% below 1953 levels at the end of June, were at 1953 levels by the end of November. The drop in the value of residential contracts awarded (32.4%) as compared with the increases for business and industrial contracts (37.3% and 233.6%) is significant. It would appear, judging by the increased advertising by radio and press, that residential building is catching up, at least temporarily, with the press of population. Residential real estate prices generally have been much weaker in tone, and buyers more anxious to shop around rather than take any offering at any price. It is evident that the housing legislation passed by the federal government in 1954 has had a deflating effect on the peak re-sale values of even houses built during the post-war period. In the larger cities the problem is presently one of finding land suitable for servicing residential development and efforts are being made to annex land from surrounding municipalities.

TRADE:

Up to the end of July retail sales of firms in this province were holding firm at 1952 rates. During the period August-October, due apparently to the effects of the shortage of purchasing power among farmers, sales

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sagged below 1952 but were still well above 1951 levels. The major decreases were felt by motor vehicle dealers, hardware stores, building material dealers, restaurants, and agricultural implement firms. Judging by wholesale trade reports received in this office some recovery was evident in November and December. The introduction of the 1955 model automobiles during the last quarter of the year and the establishment of television services in Calgary and Edmonton, boosted sales of dealers considerably.

Firms in the four major cities all reported drops in combined sales over an eleven month period. Although strong recovery above November 1953 was indicated for November 1954, this fact must be considered in light of knowledge that a weaker tone in marketings was becoming apparent during the last quarter of 1953. November trade in Calgary was 6.4% higher than in 1953; in Edmonton the increase was 3.1%, and in Lethbridge 5.9%.

BANK CLEARINGS:

Bank clearings declined 9% in the first three months of 1954 as compared to the same period of 1953. There was a steady increase from quarter to quarter during the year, with twelve month figures showing an increase of 15.3%. On the other hand bank debits show a ten month decline of 0.2%.

EMPLOYMENT:

The index of employment (based on only non-agricultural firms having fifteen or more employees) showed every month of 1952 above the corresponding month of 1951, and every month of 1953 above the corresponding month of 1952. In 1954 the situation changed: for the first seven months the indexes of employment were below the corresponding numbers for 1953 by 1% to 3% despite a 4% increase in population. During the months of August to November the 1954 index numbers were at 1953 levels or slightly above. In nine of the eleven months for which figures are available, average salaries and wages of the same employees in 1954 were greater than in 1953.

The following comments have been summarized from reports received by this office from correspondents in the major cities of the province.

MEDICINE HAT DISTRICT:

Farm holdings of wheat in the district are conservatively estimated at about 25 bushels per seeded acre. Sub soil moisture conditions are good



The three local flour mills operated at about 80% capacity. Brick and tile plants operated at capacity and have a backlog of orders on hand. Increased foreign competition is affecting the pottery plants although a new plant manufacturing specialty lines has been established. The glass plant at Redcliff operated at capacity.

Wholesale houses report an increase of approximately 5% in general sales volume but rural credit is somewhat slow. Retail sales levels were maintained for all but automobiles and agricultural implements. Building material sales increased by 10% to 15%.

As the year closed seasonal unemployment was somewhat higher than usual. A resumption of shipments of stored grain from farms would release a backlog of farm buying and maintain generally satisfactory conditions.

LETHBRIDGE DISTRICT:

While not hitting the all time high of 1953, conditions have been quite buoyant. Sales of automobiles, farm supplies and luxury lines have been down but other lines have been holding quite well.

It is estimated that 50% of all grade 2 and 3 wheat grown in Alberta during 1954 will come from the Lethbridge trading area. The sugar content of sugar beets was down a little but harvesting of the second highest sugar crop in history was completed. Canning crops, except corn, had a good year.

Building permits value approached \$9 million. Real estate prices and rentals seem to have stabilized.

It is anticipated that the construction of the Trans-Canada Pipe Line, which will necessitate use of Pincher Creek gas, will have a tremendous impetus on the development of Lethbridge.

Despite the slight decrease of trade there is a decided note of optimism in the district.

CALGARY DISTRICT:

A \$10 million programme of construction of new office buildings by oil firms is in progress. Tenders are expected to be called soon for a new \$6 million military establishment at Sarcee Camp which will take about two years to build. Recently announced were major additions to the Calgary airport. Industrial building permits amounted to over \$7 million up to the end of November. On top of this approximately \$2.3 million worth of building permits were issued in the Calgary area. Business building permits including

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be clearly documented, including the date, amount, and purpose of the transaction. This ensures transparency and allows for easy auditing of the accounts.

Furthermore, it is noted that regular reconciliation of the accounts is essential. This involves comparing the internal records with bank statements to identify any discrepancies. Promptly addressing these differences helps prevent errors from accumulating and ensures the accuracy of the financial statements.

The document also highlights the need for proper categorization of expenses. By assigning each entry to a specific account or department, management can gain valuable insights into the spending patterns of different areas of the organization. This information is crucial for budgeting and cost control.

In addition, the document stresses the importance of maintaining up-to-date records. Timely entries are necessary to provide a clear and accurate picture of the organization's financial health at any given time. Delaying entries can lead to confusion and make it difficult to track the flow of funds.

Moreover, the document suggests implementing a system of checks and balances. This involves having multiple people review and approve transactions to minimize the risk of fraud or error. A clear policy regarding the approval process should be established and consistently followed.

The document also mentions the importance of keeping records secure. Financial information is highly sensitive, and it is crucial to protect it from unauthorized access. This can be achieved through physical security measures, such as locking up records, and digital security measures, such as password protection and secure storage.

Finally, the document concludes by reiterating the overall goal of maintaining accurate and reliable financial records. These records are the foundation for sound financial decision-making and are essential for the long-term success of any organization. By following the guidelines outlined in this document, organizations can ensure that their financial data is accurate, complete, and secure.

commercial building issued to the end of November amounted to \$15.6 million. New industrial areas in the Highfield district of Calgary were opened, and manufacturing plants were completed in the Manchester industrial area. The City is now opening an additional 500 acre site in conjunction with the major railways. By the end of 1955 the City will have over 1,000 acres of fully serviced industrial land.

The \$300 million Trans-Canada pipe line project and the completion of the Travis Dam on the Bow River near Medicine Hat, will stimulate the whole economy of the southern part of the province.

Last year banking transactions amounted to \$5 billion and although Calgary ranks eleventh among the cities in population, it ranks fifth in banking.

EDMONTON DISTRICT:

The volume of construction in the Edmonton fringe area has played a major role in maintaining a high level of employment and business volume. Building permits as at the end of December totalled \$68.3 million. Real Estate companies anticipate that increasing population and continued commercial and industrial development will maintain a strong demand for new residential construction in 1955 although more competition is evident. Within the city the emphasis has been on commercial buildings and government offices; the industrial building has been to the east of the city.

Retail business, on the whole, has not been as good as last year. It is noteworthy that advertising has increased considerably. As a result of the decline in agricultural income the deliveries to country points have declined. Collections are difficult, both in metropolitan and rural points. Deliveries to northern points have fallen off considerably but on the whole the volume of wholesale business declined only slightly. There is a high volume of consumer spending. Factors contributing to this trend are the increasing population and high level of purchasing power, relaxation of United Kingdom currency restrictions, continued expansion of new plants and equipment, and a halt to the inventory reduction.

HARDWARE WHOLESALERS:

Business conditions in 1954 were very similar to those of 1953 in the hardware business, with the exception of appliances and white goods etc. The advent of television has helped considerably to hold in check the decline in sales volume. Supply appears to have caught up with the demand and business



is more or less in a state of re-adjustment. Prices appear to be moving lower and competition is becoming stiffer. European marketers are again prominent and their prices are a factor which are catching Canadian manufacturers off stride, price-wise. Relatively high wage brackets in America are in the main responsible for this condition.

DRY GOODS WHOLESALE:

Sales of dry goods and footwear are down from 10% to 12%. This is partly due to weather conditions throughout the year but mainly to the tightening of rural credit because of the difficulty of moving the farmers' crops.

WHOLESALE GROCERY:

A survey of the grocery, fresh fruit and vegetable business, indicates that the year just closing was quite satisfactory. The market has not fluctuated as widely as in 1953 although there have been some major adjustments in certain commodities. There has, because of keener competition, been some substantial price cutting.

Retail sales show a very small increase. Industrial sales reflect a decrease as the amount of exploration work going on in Uranium City and other places in the north fell off to some extent during the year. Meat and salmon prices have declined somewhat but fruits and vegetables, both canned and raw, seem to be higher with prospects of even higher prices due to the failure of the Canadian vegetable market and the necessity of importing from the States. Generally speaking, prices seem to be strengthening. There seems to have been some success in the programme of getting retailers to sell on a strictly cash basis.



