

Dominion Bureau of Statistics

Department of Trade and Commerce

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Weekly Indexes

There are six indexes available on a weekly basis in Canada that reflect the general economic trend. These cover respectively:

Business - carloadings and wholesale prices

Finance - bank clearings and capitalized bond yields

Speculation - common stock prices and shares traded.

Notes on the indexes follow:

The railway traffic movement, reflecting recession especially in the western division was at a lower position in the latest week. The index after adjustment for seasonal tendencies was 81.5 against 84.8 in the week of October 26. The decline in the western division was from 78.2 to **72.4** while the index of the eastern division dropped from 93.8 to 91.0. The traffic movement during the first 44 weeks of the year was 2,356,000 cars, recording a considerable increase over the same period of 1939.

Wholesale prices, due to the increase in crop and animal products, were at a slightly higher level in the week of November 1. The general index advanced from 83.5 to 83.6. Six of the eight sub-groups have been steady for the last three weeks. The sensitive indexes for manufacturers' materials and foodstuffs recorded decline from the preceding week.

The Associated Press index of commodity prices in the United States reached a new high point for 1940 on November 7, the standing having been 76.21 against 75.31 one week before. Domestic electrolytic copper was 12 cents at New York on that date, while export copper averaged about 10½ cents. Lead and zinc have shown considerable advance during the last few months.

The index of common stock prices dropped one point to 80.1 in the last week of October. The sub-index for beverages recorded an advance, while telephone and telegraph stocks averaged slightly higher. The high-grade bond market was steady as compared with the preceding week. A considerable increase was shown in bank clearings, the index after usual adjustments having risen 4 points to 79.8. The number of shares traded was slightly greater in the week under review.

The weekly index based on the above-mentioned factors was 101.7 against 101.8 in the preceding week, a recession of only 0.1 per cent. The standing in the same week of 1939 was also 101.8.

A Weekly Index with Six Components, 1926=100

Week Ended	Car load-ings	Whole-sale Prices	Capitalized Bond Yields ¹	Bank Clear-ings ²	Prices of Common Stocks	Shares Traded	Weekly Index ³
Nov. 2, 1940	81.5	83.6	141.2	79.8	80.1	33.4	101.7
Oct. 26, 1940	84.8	83.5	141.2	75.8	81.1	33.3	101.8
Nov. 4, 1939	79.2	79.0	136.2	82.0	107.8	154.9	101.8

1. Present value of a fixed net income in perpetuity from Dominion long-term bonds.

2. Bank clearings were smoothed by taking a three weeks moving average for the purpose of eliminating irregular fluctuations. Totals for Ottawa were eliminated for all weeks shown owing to incomparability introduced by the operations of the Bank of Canada.

3. The weighting of the six major factors is determined from the standard deviation from the long-term trend of each, based on data for the period from January 1919 to August, 1936. The weighting, therefore, represents not an attempt to give the relative importance of the factors but to place them on an equal footing by equating the tendency toward fluctuation. The long-term trend determined from the half-yearly data in the inter-war period was eliminated from the composite and the resulting index expressed as a percentage of the average during the year 1926.

THE

REPORT

1880

OF THE

COMMISSIONERS

OF THE

LAND OFFICE

IN RESPONSE TO A RESOLUTION PASSED BY THE HOUSE OF REPRESENTATIVES, MARCH 18, 1879, RELATIVE TO THE LANDS BELONGING TO THE UNITED STATES.

WASHINGTON: GOVERNMENT PRINTING OFFICE: 1880.

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Business Conditions During Nine Months of 1940

Marked expansion in business operations occurred during the first nine months of 1940, as compared with the same period of 1939. The index of the physical volume of business averaged 142 against 119, an increase of 19.6 per cent. The gain of nearly one-fifth in productive operations was mainly due to war expenditure. Contracts placed for the building of plants and for war supplies led to expansion directly in industries connected with the war, while indirectly, an accelerating influence resulted in a considerable expansion in industries supplying consumption goods.

Commodity prices averaged about 12 per cent higher during the nine months of the present year than in the same period of 1939. An appreciable advance during the last four months of the preceding year resulted in a higher standing in the early part of 1940. The advance during the first four months of war, however, was not sufficient to counterbalance the decline from 1937. The net result was that the steady level of 1940 was somewhat below that of 1937. The official index averaged 82.6 during the period under review against 73.8 last year.

The impact of the war had an adverse influence on security prices. Dominion bonds reacted sharply in the first month of war but the decline was partially counteracted by the advance of subsequent months. The average of an index of capitalized bond yields showed a decline of 13.4 per cent from the high level of the first part of 1939.

The fluctuation in common stocks traded on the Canadian exchanges followed a different pattern. A moderate advance occurred during the first two months of war and a slight recession followed during the next six months. The attack on France during May and June was reflected in a sharp decline in stock prices which has only been partially counterbalanced in recent months. The official index of common stock prices averaged 86.5 during the first nine months of 1940 against 99.6, a decline of 13.2 per cent.

October Employment Situation

Industrial employment on October 1 according to statements from 12,304 firms was 1,335,705 persons, as compared with 1,290,530 in September and 1,186,786 in October, 1939. The increase of 45,175 workers over September at 3.5 per cent was the largest indicated at the beginning of October in any of the 20 years for which statistics are now available. In the years 1921 to 1939 the average change at the beginning of October has been an increase of rather less than 1 per cent.

The response of Canadian industry to the demands made on it during the first year of the war is shown in the record of employment during the last twelve months. During most of this period the movement has been decidedly upward, while the only general losses were those of a seasonal character reported last winter.

The outstanding feature of the situation since the outbreak of hostilities has been the great expansion in manufacturing, which in recent months has risen to unprecedented levels. The October index was 20 per cent above that for the same date in 1939, while the increase in the personnel of the co-operating manufacturers during the year may be estimated at 125,000 men and women; of these over 56,000 have been absorbed into the iron and steel industries. The latest index of employment in manufacturing was over 36 per cent above the average index for October in the years 1927-39.

Most of the non-manufacturing industries have also shown heightened activity in the first year of the war; the only exception has been the construction group as a whole.

Unemployment

The total number of wage earners in August was 2,910,000 and of these it is estimated that 2,709,000 were in employment, leaving 201,000 wage earners unemployed. In July there were 238,000 unemployed and in August, 1939, about 332,000. However, it should be said that the estimates of unemployment in recent months are exaggerated by the number of enlisted wage earners who were without jobs when they joined the Active Forces. The estimates of wage earners in employment are entirely exclusive of enlisted men.

Character of Canada's September Imports

Canada's imports in September at \$86,287,000 were an increase of \$12,723,000 over September, 1939. The large increase was in goods from the United States, but there was a notable gain in imports from the United Kingdom. While material for war supplies was prominent it was also notable that there were increases in the direction of normal peace-time needs.

A considerable gain was recorded in the imports of petroleum products to \$6,731,000 from \$5,840,000 in September 1939, while non-ferrous metals rose to \$6,064,000 from \$3,431,000. Coal imports on the other hand dropped to \$4,642,000 from \$7,721,000. Farm implements increased by almost \$200,000 to \$1,994,000, a large proportion being farm tractors. Other machinery rose more than \$2,500,000 to \$5,724,000 and automobiles and parts from \$3,767,000 to \$6,590,000.

Indexes of Wholesale Sales in September

The dollar value of wholesale trade in Canada averaged 17 per cent lower in September this year than last but increased eight per cent above the level of August, the general unadjusted index standing at 123.8 compared with 115.1 for August and 148.4 for September, 1939. Aggregate figures for the nine months ended September indicate a gain of 9.6 per cent over the corresponding period of 1939.

Sales of New Motor Vehicles in September

Sales of new motor vehicles in Canada in September, excluding deliveries to government and other agencies for war purposes, totalled 5,675 units valued at \$6,869,639 compared with 5,032 at \$5,867,283 in August and 6,756 at \$7,624,955 in September, 1939. Sales during the nine months ended September aggregated 104,356 valued at \$116,903,929 compared with 88,788 at \$96,878,109 in the same period of 1939.

Survey of Live Stock in Canada

Increases in all the principal species of live stock on Canadian farms were reported in the survey made at June 1, 1940. The greatest increase occurred in numbers of hogs which reached a record high of nearly 5.9 million head, a gain of 37 per cent over the estimate of June 1, 1939. Numbers of cattle on farms, estimated at 8,565,000 were one per cent higher than at June 1, 1939. This is the first increase in cattle numbers on farms at June 1 since 1934, when the high point in the cattle number cycle was reached. The June 1 increase was expected, following an increase reported at December 1, 1939. Unless serious feed shortages develop, cattle numbers are expected to continue to increase over the next few years.

For the second year in succession, numbers of horses on farms at June 1 were higher than in the previous year. The number on farms at June 1, 1940, was estimated at 2,858,000, an increase of 34,000 over the estimate of June 1, 1939. Further increases are anticipated in numbers of horses.

Numbers of sheep on farms at June 1, 1940 were 3,452,000, an increase of 86,000 over the June 1, 1939 estimate.

The increase in live stock numbers has followed two years of adequate feed supplies and relatively favourable prices for live stock and animal products. The increases in numbers have been most pronounced in those species consuming large amounts of grain. Converted to grain-consuming animal units, numbers of all species of live stock and poultry on farms at June 1, 1940, totalled 17,676,000 units compared with an average of 16,084,000 units from 1931 to 1935. In terms of grain-consuming animals, numbers at June 1, 1940, were the highest on record.

All species of poultry on farms were greater at June 1, 1940 than at June 1, 1939. Hens and chickens increased from 58.5 million to 60.2 million which is the largest number since 1931. Increases were also shown in turkeys, ducks and geese.

Visible Supply of Wheat

Canadian wheat in store on November 1 totalled 448,228,612 bushels compared with 443,526,518 at the end of the previous week and 351,511,827 on the corresponding date last year. The amount of Canadian wheat in the United States was 38,874,291 bushels compared with 39,192,589 a week ago and 16,118,000 last year.

Overseas Export Clearances of Wheat

During the week ending November 1 the export clearances overseas of Canadian wheat amounted to 2,649,008 bushels compared with 966,858 in the corresponding week in 1939. The total for the thirteen weeks ended November 1 was 21,550,557 bushels compared with 29,391,358 in the corresponding period of the previous crop year.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces for the week ending November 1 amounted to 11,276,070 bushels compared with 16,217,149 in the previous week and 8,928,109 in the corresponding week last year. By provinces the receipts were as follows, figures within brackets being those for 1939: Manitoba 773,921(562,108) bushels; Saskatchewan 4,508,285(4,941,737); Alberta 5,993,864(3,424,264).

Marketings for the thirteen weeks ending November 1 aggregated 209,477,847 bushels compared with 314,397,961 in the same period last year. Receipts were as follows by provinces: Manitoba 30,113,443(47,340,379) bushels; Saskatchewan 117,806,413(181,233,597); Alberta 61,557,991(86,823,985).

Commercial Failures in August

The total number of commercial failures in August as reported under the provisions of the Bankruptcy and Winding-Up Acts was 86, being decidedly lower than in the corresponding month last year when the number was 119. The defaulted liabilities in the latest month totalled \$650,186 as compared with \$1,153,726 in August, 1939.

Retail Chains in 1939

Notwithstanding a slight decrease in number of chain store companies and a more substantial reduction in number of chain units in operation, retail chains transacted four per cent more business in Canada in 1939 than in 1938. The proportion of the total retail trade secured by chains was also somewhat higher. There were 446 chain companies in Canada and these operated a total of 7,595 individual stores with sales of \$432,026,100 or 17.7 per cent of the total annual business of all stores including chains and independents. In 1938 there were 457 chains, 7,692 stores and \$414,448,300 sales, an amount which formed 17.2 per cent of the total trade for that year.

Production of Petroleum and Natural Gas

The Canadian output of crude petroleum and natural gasoline in August amounted to 868,651 barrels as compared with 877,133 in July and 795,844 in August, 1939. Production during the eight months ended August aggregated 5,426,813 barrels compared with 5,066,251 in the corresponding period last year.

Alberta's production in August totalled 844,751 barrels, made up of 840,047 from the Turner Valley field, 1,048 from the Red Couleas Field, 1,173 from the Wainwright field and 2,483 from other sources. In the Turner Valley field two new wells were completed during the month.

Natural gas production in August totalled 1,582,755,000 cubic feet as against 1,637,171,000 in July and 1,877,960,000 in August, 1939. The Canadian output during the eight months ending August aggregated 23,319,949,000 cubic feet compared with 22,842,304,000 in the same period of 1939.

Railway Operations in 1939

The slump in railway revenues which took place in 1938 was carried over into the first four months of 1939, but from May until the end of the year increases over revenues of the corresponding month of the previous year were recorded each month. Total revenues for the year amounted to \$367,179,095 compared with \$336,833,400 in 1938. Operating expenses increased to \$304,373,285 from \$295,705,638 in 1938.

The reductions in basic rates of pay which had been in effect for several years were fully restored by April 1, 1938, and no major changes have since been made, consequently changes in expenses reflect changes in volume of work and not in rates of wages. Railway taxes of \$10,034,137 represented 2.7 per cent of gross revenues. These were greater than for 1938 by \$297,721 but less than for 1937.

Interest on funded and unfunded debt was reduced from \$79,215,333 in 1938 to \$79,022,934 and the funded debt outstanding at the end of the year was reduced from \$1,568,269,672 to \$1,533,373,521. The net corporate income of all railways before deduction of dividends and profit and loss items was a debit of \$27,298,993 compared with a debit of \$55,023,359 in 1938. The Canadian National System reduced its loss by \$16,231,733 or from \$54,470,997 to \$38,239,264 and the Canadian Pacific increased its income by \$8,519,766 or from \$1,262,382 to \$9,782,148.

The miles of road operated at the end of the year were reduced by 105.4 to 42,636.9 miles. The principal decreases were the Canadian National line between Hawkesbury and Hurdman (outside of Ottawa) 55.5 miles and the Canadian Pacific line between Linwood and Listowel 16.5 miles in Ontario which were abandoned, and the Canadian National line between Farnham and Frelighsburg 17.9 miles in Quebec also abandoned. There were no new lines opened and only minor additions made during the year.

Retail Sales of Gasoline

Retail sales of gasoline in Canada during July totalled 93,329,000 gallons compared with 88,000,000 in June and 87,259,000 in July, 1939. Sales during the seven months ended July amounted to 458,766,000 gallons compared with 409,201,000 in the corresponding period of 1939.

Sales in July follow by provinces, with 1939 figures in brackets: Prince Edward Island 581,000(529,000) gallons; Nova Scotia 3,979,000(3,512,000); New Brunswick 2,955,000(2,884,000); Quebec 17,056,000(16,131,000); Ontario 38,244,000(36,599,000); Manitoba 5,053,000(4,567,000); Saskatchewan 10,330,000(9,359,000); Alberta 8,403,000(7,604,000); British Columbia 6,728,000(6,074,000).

Sales of Fertilizers

Sales of fertilizer materials and mixed fertilizers, including exports but excluding the export of calcium cyanamide, totalled 588,701 short tons during the year ended June, 1940, compared with 503,570 short tons sold during the preceding twelve months, according to a revised preliminary statement.

Production of Gold in August

The Canadian output of gold in August established a new high monthly record, advancing to 466,223 ounces valued at \$17,949,585 from 456,626 ounces at \$17,580,101 in the previous month and 449,474 at \$15,735,635 in August, 1939. Production during the eight months ended August aggregated 3,494,891 ounces valued at \$134,553,503 as compared with 3,379,368 ounces worth \$118,712,226 in the corresponding period of 1939.

Railway Revenues in August

Gross revenues of railways for August amounted to \$37,408,735 as against \$29,774,063 for August, 1939, a gain of \$7,634,672 or 25.6 per cent. For the eight months ended August revenues totalled \$267,907,091 compared with \$210,749,363 in the corresponding period of 1939.

Reports Issued During the Week

1. Revised Preliminary Report on the Sales of Fertilizers, Year Ended June 30, 1940 (25 cents).
 2. Petroleum and Natural Gas Production, August; and Gasoline Sales, July (10 cents).
 3. Canadian Grain Statistics (10 cents).
 4. Gold Production, August (10 cents).
 5. Business Conditions in Canada, Nine Months Ended September, 1940 (10 cents).
 6. Awning, Tent and Sail Industry, Canada, 1939 (15 cents).
 7. Retail Chains in Canada, 1939 (25 cents).
 8. Commercial Failures in Canada, August (10 cents).
 9. Weekly Index Numbers of Wholesale Prices (10 cents).
 10. Statistics of Steam Railways, 1939 (10 cents).
 11. Car Loadings (10 cents).
 12. Operating Revenues, Expenses and Statistics of Railways, August (10 cents).
 13. Summary of Canada's Imports, September (10 cents).
 14. Live Stock Survey, June 1, 1940 (10 cents).
 15. Current Trends in Food Distribution, September (10 cents).
 16. Sales of New Motor Vehicles, September (10 cents).
 17. Monthly Indexes of Wholesale Sales, September (10 cents).
 18. The October Employment Situation (10 cents).
 19. Preliminary Report on Cold Storage (10 cents).
 20. Security Prices and Foreign Exchange (10 cents).
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