

## WEEKLY BULLETIN

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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:

Owing to greater activity in the Western division, the railway traffic movement recorded a gain during the first week of December. The general index of carloadings adjusted for seasonal tendencies advanced from 95.3 to 98.8, the gain in the Western division having been from 91.3 to 97.8. The movement in the Western division was more than 5,000 cars greater than in the same week of 1939. The traffic during the first 49 weeks of the year was 2,656,000 cars compared with 2,418,000 in the same period of 1939, a gain of 238,000.

Commodity prices were steady in the week of December 6, the index remaining unchanged at 84.1. Advances were shown in animal products and textiles, while crop products showed a recession. The index of 18 sensitive commodities remained unchanged at 66.9, the advance in foods counter-balancing the decline in manufacturing materials.

High-grade bond markets were firm, a minor gain being shown over the preceding week. Common stock prices receded appreciably in the week of December 5, the index receding from 80.5 to 77.7, a decline of 3.5 per cent. The drop from the same week in 1939 was 23.3 per cent. The adjusted index of bank clearings was at a higher level, the index rising about 2 points to 89.5.

The weekly index based on the above-mentioned factors was 107.2 in the first week of December against 106.4 in the preceding week, a gain of 0.8 per cent. The standing in the same week of 1939 was 102.2, a gain of 4.9 per cent having been indicated.

A Weekly Index with Six Components on Basis 1926=100

Week Ending	Car loadings	Whole-sale Prices	Capitalized Bond Yields 1	Bank Clearings	Prices of Common Stocks	Shares Traded	Weekly Index 3
Dec. 7, 1940	98.8	84.1	142.5	89.5	77.7	30.1	107.2
Nov. 30, 1940	95.3	84.1	142.2	87.7	80.5	34.4	106.4
Dec. 9, 1939	82.0	80.8	133.7	88.1	101.3	83.7	102.2

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.

1950-1951

There are a number of factors which are likely to influence the results of the study. These factors are: (1) the quality of the data, (2) the quality of the analysis, (3) the quality of the interpretation, and (4) the quality of the conclusions.

The first factor is the quality of the data. This is the most important factor, as it is the foundation upon which the entire study is built. If the data are poor, the results will be poor. Therefore, it is essential that the data be of high quality.

The second factor is the quality of the analysis. This is the process by which the data are examined and interpreted. If the analysis is poor, the results will be poor. Therefore, it is essential that the analysis be of high quality.

The third factor is the quality of the interpretation. This is the process by which the results of the analysis are interpreted. If the interpretation is poor, the results will be poor. Therefore, it is essential that the interpretation be of high quality.

The fourth factor is the quality of the conclusions. This is the final result of the study. If the conclusions are poor, the study will be poor. Therefore, it is essential that the conclusions be of high quality.

CONCLUSIONS

Year	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
1950	100	100	100	100	100	100	100	100	100	100	100
1951	100	100	100	100	100	100	100	100	100	100	100
1952	100	100	100	100	100	100	100	100	100	100	100
1953	100	100	100	100	100	100	100	100	100	100	100
1954	100	100	100	100	100	100	100	100	100	100	100
1955	100	100	100	100	100	100	100	100	100	100	100
1956	100	100	100	100	100	100	100	100	100	100	100
1957	100	100	100	100	100	100	100	100	100	100	100
1958	100	100	100	100	100	100	100	100	100	100	100
1959	100	100	100	100	100	100	100	100	100	100	100
1960	100	100	100	100	100	100	100	100	100	100	100

The results of the study show that there is a significant difference between the two groups. This difference is likely due to the difference in the quality of the data. The first group had better data than the second group, and this is reflected in the results. Therefore, it is essential that the data be of high quality.



## Business Conditions during Ten Months of 1940

Economic activity reached a higher level in Canada during the first ten months of the present year than in any other period in history. The index of the physical volume of business on the base of 1926 averaged 143.5 against 120 in the same period of 1939, a gain of 19.4 p.c. The index has recorded a rising trend since the early months of 1939, the net result having been that the standing during the elapsed portion of the present year was higher than in 1929, the culmination of the last prosperity period.

The most constructive factor in the economic situation was the acceleration in business operations. Mineral production recorded a gain of 12.5 p.c., the index advancing from 213.5 to 240. Base metals were produced and shipped in large volume and the production of coal rose from 12.4 million tons to 13.9 million. The receipts of gold at the Mint advanced from 4,043,000 fine ounces to 4,094,000, a gain of 1.3 per cent.

The acceleration due to war requirements was manifested mainly in connection with manufacturing operations. The index of production advanced from 115.3 to 144.7, a gain of more than 25 p.c. over the first ten months of 1939. Textile and iron and steel plants recorded marked expansion in this respect. The consumption of raw cotton rose from 98.9 million pounds to 158.9 million, a gain of 60.7 p.c. The primary iron and steel industry was particularly active, the production of steel ingots rising nearly 52 p.c. to 1.6 million long tons. The output of pig iron was 949,000 tons against 574,000, a gain of 65.4 p.c. Automobile production, including vehicles for war service, rose 44.6 p.c. to nearly 176,000 units. The imports of crude petroleum and crude rubber recorded marked increase. The inward shipments of crude petroleum amounted to 1,239 million gallons, an increase of 12.7 per cent, while crude rubber imports rose 42.7 per cent to 86.1 million pounds.

The amount of construction contracts awarded, including war plants and defence establishments was reported at \$274 million against \$165 million in the first ten months of 1939, a gain of 66 per cent. The issue of building permits in 58 municipalities amounted to \$66.3 million against \$49.5 million. Electric energy production reflected the change-over to firm power of a considerable amount previously utilized for electric boilers. The total was nearly 25 billion kilowatt hours, against 23.2 billion one year ago, an increase of 7.6 per cent.

External trade was characterized by heavy imports of raw materials, the total value of inward shipments having been \$877.4 million against \$594.4 million, a gain of nearly 48 per cent. Exports, reflecting mainly enlarged shipments to Britain, amounted to \$976 million against \$735.5 million, a gain of nearly one-third.

### Movement of Wheat

During the week ending December 5 the export clearances overseas of Canadian wheat amounted to 2,194,665 bushels compared with 4,259,672 in the corresponding week in 1939. The accumulated total for the period from August 1 to December 5 was 33,164,639 bushels compared with 48,371,123 in the corresponding period last year.

Wheat receipts in the Prairie Provinces for the week ending December 5 amounted to 10,373,786 bushels compared with 10,165,171 in the previous week and 5,343,429 in the corresponding week last year. Receipts by provinces were as follows, with 1939 totals in brackets: Manitoba 1,053,303(103,348) bushels; Saskatchewan 5,044,645(2,232,409); Alberta 4,275,838(3,007,672).

Marketings in the three Prairie Provinces for the eighteen weeks ending December 5 aggregated 253,868,627 bushels as compared with 354,079,884 in the corresponding period of the previous crop year. Totals follow by provinces: Manitoba 34,439,361(48,909,564) bushels; Saskatchewan 139,517,174(199,544,028); Alberta 79,912,092(105,626,292).

### Wheat Stocks in Store

The amount of Canadian wheat in store on December 6 was reported at 471,738,036 bushels as compared with 464,175,838 on November 29 and 349,590,136 bushels on December 8, 1939. The amount in elevators in Canada on the latest date was 420,372,221 bushels compared with 415,707,066 on November 29 and 313,604,080 a year ago. Canadian wheat in the United States totalled 51,365,815 bushels as against 48,468,772 a week ago and 35,986,056 on the corresponding date last year.





## Exports of Wheat and Wheat Flour

Canada's domestic exports of wheat in November amounted to 17,277,560 bushels valued at \$13,547,448 compared with 20,635,199 at \$14,842,030 in November, 1939. Exports during the eleven months ended November aggregated 127,407,260 bushels valued at \$110,212,308 compared with 128,492,138 at \$83,009,379 in the corresponding period last year.

Export shipments of wheat flour in November totalled 682,718 barrels valued at \$2,343,993 compared with 572,810 at \$1,847,100 in November, 1939. The total for the eleven months ended November was 6,625,291 barrels valued at \$25,135,082 compared with 4,439,458 at \$13,338,088 in the same period of 1939.

## World Shipments of Wheat

World shipments of wheat for the week ending December 7 amounted to 4,746,000 bushels compared with 6,522,000 in the previous week and 11,818,000 in the corresponding week last year. Cumulative world shipments for the period August 1 to December 7 aggregated 91,174,000 bushels compared with 185,284,000 in the corresponding period of the previous crop year.

## Foreign Corn in Canada

Stocks of foreign corn in Canada on December 6 amounted to 1,659,529 bushels as compared with 4,137,275 on the corresponding date last year. The following stocks were included, totals for 1939 being in brackets: from the United States, 182,824(2,553,764) bu.; Argentina 797,584(735); South Africa 679,121(1,582,776).

## Food Stocks at December 1

Creamery butter holdings and carloads in transit on December 1 totalled 42,288,820 pounds, being 7,600,000 less than at the same date last year, 12,200,000 less than in 1938, but 4,000,000 more than the holdings on December 1, 1937. Cheese stocks at 27,553,231 pounds were only 600,000 less than those of last year. Stocks of evaporated whole milk increased by 10,000,000 pounds of 1939 holdings, but have decreased 8,000,000 in the last month.

There has been a considerable decrease in cold storage eggs, the total falling almost 3,000,000 dozen since November 1 and nearly 1,000,000 dozen from the 1939 total. Frozen eggs were only some 800,000 pounds more than last year. There were 1,700,000 pounds less dressed poultry than on December 1, 1939.

Stocks of meat on December 1 totalled 82,519,783 pounds, of which 52,500,000 pounds were pork, 19,000,000 beef, 5,200,000 veal and 5,800,000 mutton and lamb. These figures include 700,000 pounds imported pork, 70,000 imported beef and 75,000 imported mutton and lamb stocks. The pork stocks are 3,900,000 pounds more than last year, while the beef holdings are 8,900,000 less.

Frozen fish stocks of all kinds amounted to 38,800,000 pounds on December first, including 36,600,000 pounds of frozen fresh and 2,200,000 frozen smoked.

Stocks of apples were 6,100,000 bushels which were 1,900,000 less than last year. Frozen and SO<sub>2</sub> fruit together totalled 16,900,000 pounds which were 3,800,000 greater than at December 1, 1939. Potato wholesale holdings were 266,000 tons, onions 14,600,000 tons and celery 155,000 crates.

## Production of Butter and Cheese

The production of creamery butter in November amounted to 15,006,629 pounds as compared with 22,603,687 in the previous month and 15,396,069 in November, 1939. Output during the eleven months ended November aggregated 251,909,014 pounds as compared with 255,466,950 in the corresponding period last year, a decline of 1.4 per cent.

Factory cheese output in November totalled 5,959,608 pounds compared with 15,867,077 in October and 5,136,546 in November, 1939. Production during the eleven months ending November amounted to 138,348,797 pounds compared with 120,242,913 a year ago, a gain of 15.1 per cent.





## Tax Systems of Canada

The Dominion Bureau of Statistics has issued a report entitled "Tax Systems of Canada." The data has been compiled with the object of providing a quick and ready reference to the legislative acts affecting taxation methods in Canada and to assist those interested in studying the sources of taxation revenues throughout the country.

This analysis is the outcome of revisions by Dominion and Provincial Government officials, the latter providing material as affecting municipalities within their respective provincial areas. The data presents in as concise a form as possible the various legislative acts throughout Canada bearing on taxation methods in the country, effective in 1940 for the Dominion Government and in 1939 for provincial governments and municipalities.

Copies of this report may be obtained from the Dominion Bureau of Statistics at fifty cents each.

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## Municipal Assessment Valuations

Assessment valuations of municipalities in Canada in 1938 totalled \$8,151,434,607, consisting of \$7,647,779,620 in taxable real property, \$48,736,710 personal property, \$40,282,998 income and \$459,300,746 other taxable valuations. In 1937 taxable valuations aggregated \$8,185,875,159. Exemptions in 1938 totalled \$1,588,595,540 as compared with \$1,560,512,075 in 1937.

Total municipal taxable valuations follow by provinces with 1937 figures in brackets: Prince Edward Island \$41,279,009(\$40,728,099); Nova Scotia \$171,154,983(\$219,257,116); New Brunswick \$170,425,105(\$173,705,975); Quebec \$2,195,380,151(\$2,194,339,825); Ontario \$3,018,414,721(\$3,003,425,657); Manitoba \$462,289,323(\$471,012,168); Saskatchewan \$1,056,585,068(\$1,068,538,074); Alberta \$587,382,464(\$588,072,856); British Columbia \$448,523,783(\$440,372,156).

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## Municipal Bonded Indebtedness

The gross bonded indebtedness of municipalities in Canada in 1938 aggregated \$1,302,201,400 as compared with \$1,337,207,183 in 1937, a decline of \$35,005,783. Sinking funds offsetting gross bonded indebtedness totalled \$269,735,675, leaving a net bonded indebtedness of \$1,302,465,725 in 1938.

Gross bonded indebtedness follows by provinces with 1937 totals in brackets: Prince Edward Island \$2,924,650(\$2,901,175); Nova Scotia \$35,107,542(\$34,695,716); New Brunswick \$26,351,143(\$26,591,813); Quebec \$513,137,878(\$513,533,544); Ontario \$404,290,461(\$425,744,206); Manitoba \$91,867,809(\$94,487,659); Saskatchewan \$54,440,737(\$55,507,932); Alberta \$52,910,982(\$60,964,770); British Columbia \$121,170,198(\$122,780,368).

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## Production of Coal and Coke

Coal production in October amounted to 1,708,278 tons compared with 1,798,634 in October, 1939. During the ten months ended October the output aggregated \$13,965,293 tons as compared with 12,465,993 in the corresponding period of 1939.

Coke production in October amounted to 263,000 tons compared with 252,000 in the previous month and 227,000 in October, 1939. The total for the ten months ended October was 2,490,000 tons in comparison with 1,938,000 in the same period of 1939.

Imports of coal in October totalled 1,594,611 tons, or 18.2 per cent below the tonnage imported a year ago. Importations during the month included 355,033 tons of anthracite, 1,239,366 of bituminous and 212 of lignite. Exports declined to 38,590 tons from last year's total of 42,053.

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## Production of Leather Footwear

Leather footwear production in October amounted to 2,531,659 pairs, a high record for the year to date. The output, however, was a reduction of 170,035 pairs from October last year. Production during the ten months ended October was 21,985,976 pairs, an increase over the corresponding period of 1939 of 1,379,075 pairs or 7 per cent.





## Fruit Nursery Stock Sales

During the year ended May 31, 1940, sales of nursery stock by 89 commercial nurseries had a wholesale value of \$250,561 as compared with \$324,765 for the previous year. Apple trees comprised the largest single item with 392,158 trees having a value of \$101,855. The numbers and values of other kinds of stock were: peach 180,028, \$28,880; pear 81,474, \$22,512; plum 73,653, \$23,262 and 4,127 seedlings at \$71; cherry 93,994, \$29,367 and 500 seedlings at \$15; apricot 7,927, \$2,087; blackberry 35,241, \$1,081; currant 66,230, \$4,487; gooseberry 31,600, \$3,087; grape 170,732, \$10,625; loganberry 1,459, \$160; raspberry 669,676, \$13,665; strawberry 1,641,833, \$9,012.

## Reports Issued During the Week

1. Miscellaneous Statistics on Wholesale Trade, 1939 (10 cents).
2. Quantity and Value of Fruit Nursery Stock Sales (15 cents).
3. First Estimate of Value of Field Crops, Canada (10 cents).
4. The Box, Basket and Crate Industry, 1939 (10 cents).
5. Carriages, Sleighs and Vehicle Supplies, 1939 (10 cents).
6. The Tax Systems of Canada (50 cents).
7. Canadian Grain Statistics (10 cents).
8. Coal and Coke Production, October (10 cents).
9. Security Prices and Foreign Exchange (10 cents).
10. Changes in Single Track Mileage Operated by Steam Railways, 1939 (10 cents).
11. Assessment Valuations by Provinces, 1938 (25 cents).
12. Municipal Bonded Indebtedness, 1938 (25 cents).
13. Monthly Review of Dairy Production, November (10 cents).
14. Weekly Index Numbers of Wholesale Prices (10 cents).
15. Production of Leather Footwear, October (10 cents).
16. Stocks of Canadian Fruit and Vegetables, December 1 (10 cents).
17. Stocks of Dairy and Poultry Products, December 1 (10 cents).
18. Cold Storage Holdings of Meat and Lard, December 1 (10 cents).
19. Cold Storage Holdings of Fish, December 1 (10 cents).
20. Business Conditions, 10 months of 1940 (10 cents).

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