WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce

Vol. VIII - No. 50 Ottawa, Saturday, December 21, 1940 Price $1.00 per annum

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 recorded further advance after seasonal adjustment in the week of December 14, the index of carloadings rising from 98.8 to 99.4. The increase however, was limited to the western division. The movement of merchandise showed some improvement, the index moving up to 90.6 against 88.2 in the preceding week. The index of carloadings, after the usual adjustment, was 0.6 per cent above the preceding week and 20.5 per cent over the same week of 1939.

A further increase was shown in commodity prices during the second week of December, the index advancing from 84.1 to 84.3. The gains were mostly concentrated in crop and animal products. Sensitive commodities showed the opposite tendency, the index of eighteen items dropping from 66.9 to 66.6. Electrolytic copper for domestic consumption remained steady at 12 cents in New York, while zinc was unchanged at 7¾ cents.

The high-grade bond market was relatively strong in the week of December 12, an index of capitalized yields rising 0.6 per cent. The gain over the same week of 1939 was 7.6 per cent. Bank clearings for 32 centres amounted to about $399.4 million against $358 million in the preceding week. The adjusted index moved up from 89.5 to 96.0, but minor recession was shown from the same week of last year.

Common stock prices recorded a slight reaction, the decline from the same week of last year having been 24.2 per cent. The index for the week of December 12 was 77.2 against 77.7 in the preceding week and 101.8 one year ago. A slight increase was shown in shares traded but the level was much below that of last year.

The weekly index based on the above-mentioned factors was 108.7 in the second week of December against 107.2 in the preceding week, a gain of 1.4 per cent. The standing one year ago was 103.9, an increase of 4.6 per cent. having been indicated.

A Weekly Index with Six Components on Basis 1926=100

Week Ending	Car-load-ings	Whole-sale Prices	Capitalized Bond Yields 1	Bank Clear-ings	Prices of Common Stocks	Shares Traded	Weekly Index 3
Dec. 14, 1940	99.4	84.3	143.3	96.0	77.2	33.0	108.7
Dec. 7, 1940	98.8	84.1	142.5	89.5	77.7	30.1	107.2
Dec. 16, 1939	82.5	81.2	133.2	96.6	101.8	129.8	103.9

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 precentage of the average during the year 1926.

Movement of Wheat

Canadian wheat in store on December 13 totalled 478,205,223 bushels as compared with 471,738,036 on December 6 and 351,410,774 on the corresponding date last year. Canadian wheat in the United States on the latest date amounted to 53,494,525 bushels as against 51,365,815 a week ago and 38,081,593 in 1939.

Wheat stocks in elevators in Canada on December 13 aggregated 424,710,698 bushels as compared with 420,372,221 on December 6 and 313,329,181 a year ago. Wheat in transit on the lakes totalled 11,808,539 bushels compared with 1,369,781 last year, while the total in rail transit was 13,816,675 bushels as against 10,204,980 in 1939.

During the week ending December 13 the export clearances overseas of Canadian wheat amounted to 1,441,922 bushels compared with 1,131,433 in the corresponding week last year. The accumulated total for the nineteen weeks ending December 13 was 34,606,561 bushels compared with 49,502,556 in the corresponding period of the previous crop year.

Wheat receipts in the Prairie Provinces during the week ending December 13 totalled 9,631,970 bushels compared with 10,878,096 in the previous week and 4,089,090 in the corresponding week last year. Totals follow by provinces, with 1939 figures in brackets: Manitoba 1,147,805(214,770) bushels; Saskatchewan 4,710,584(1,712,443); Alberta 3,773,581 (2,161,877).

Marketings in the three provinces during the nineteen weeks ending December 13 aggregated 264,004,907 bushels as compared with 358,168,974 in the corresponding period of the previous crop year. Totals follow by provinces: Manitoba 35,764,307(49,124,334) bushels; Saskatchewan 144,544,747(201,256,471); Alberta 83,695,853(107,788,169).

Foreign Corn in Canada

Stocks of foreign corn in Canada on December 13 amounted to 1,562,963 bushels as compared with 4,540,238 on the corresponding date last year. The following stocks were included, totals for 1939 being in brackets: from the United States 99,375(3,032,579) bushels; Argentine 827,763(706); South Africa 635,825(1,506,953).

Seeded Areas in Argentina

According to information received by the Dominion Bureau of Statistics the third estimate of the area seeded to wheat in Argentina is placed at 17,568,800 acres, to linseed, 6,759,400 acres, oats 3,899,200, barley 2,139,400 and rye 2,750,500 acres, making a total of 33,117,300 acres. This total compared with the first estimate of 32,202,100 acres. Each of the items included shows an increase but the variations from the earlier figures are only slight.

In comparison with the acreages of the 1939-40 season, this year's figures show a decrease of 1.5 per cent in wheat and 11.1 per cent in linseed; but the other crops show increases, namely 13.1 per cent in oats, 0.8 per cent in barley and 19.8 per cent in rye.

Canada's Exports in November, Excluding Gold

Canada's domestic exports, excluding gold, totalled $117,452,000 compared with $97,163,000 last year. Exports to the United Kingdom amounted to $52,733,000 as compared with $30,023,000 in 1939 and to the United States exports were valued at $43,959,000 as against $45,201 last year.

The principal items were as follows, with figures for 1939 in brackets: Agricultural products $22,321,000($28,822,000); animal products $17,279,000($13,835,000); planks and boards $6,766,000($3,805,000); newsprint $13,348,000($11,232,000); iron and products $16,213,000($5,679,000); non-ferrous metals, excluding gold $17,102,000($17,668,000).

Soaps, Washing Compounds and Cleaning Preparations

In 1939 a total of 110 factories in Canada made soaps, washing compounds or cleaning preparations as their main products. Production from these works was valued at $20,145,072 or 9.4 per cent greater than the output of $18,241,985 from the 109 establishments in this category in 1938.

Productive Expansion in November

Economic activity recorded a furhter advance in November over the high level of the preceding month. According to partial information, the index of the physical volume of business recorded a spectacular increase over the standing of 156.7 recorded in October. Occasioned by the sharp advance since the early part of last year, and especially since the outbreak of hostilities, the level of productive operations is now far higher than at any other time in our economic history.

The movement of base metals, indicating conditions in the mining industry recorded a substantial increase in November over the preceding month. Silver exports were 969,000 fine ounces against 1,163,000 and the exports of asbestos were fully maintained after seasonal adjustment.

The output of sugar was greatly increased in the latest four-week period for which statistics are available. Gains were shown in dairy production, after seasonal adjustment, while a considerable decline was recorded in the export of canned salmon. The production of sugar was 174 million pounds against 92 million in the preceding four-week period. The index of factory cheese production advanced from 71 to 76 and that of creamery butter rose from 148 to 158. The consumption of raw cotton, indicating conditions in the textile industry, recorded a recession in November contrary to seasonal tendencies. The total invoice weight was 16.2 million pounds as against 16.7 million.

Operations of the forestry industry were nearly maintained despite the recession in newsprint production and in the exports of shingles. The index of wood pulp exports rose from 98 to 103 while that of the exports of planks and boards increased from 118 to 133. The net result was the the index of forestry operations receded from 148.2 to 146.7.

Contracts awarded in November reflected important new business in connection with the war effort. The total was nearly $55 million against $26.4 million in the preceding month. The recession in railway traffic was less than normal for the season, the adjusted index consequently rose from 83.1 to 87.7. The export trade, excluding gold, recorded a marked increase in November, rising from $106.8 million to $118.4 million. The adjusted index rose from 118 to 131.

Business Conditions in November compared with the Preceding Month and November, 1939

		1940 November	1939 November	1940 October
Physical Volume of Business	1926-100	*	133.0	156.7
Bank deposits	1926-100	131.6	131.5	139.2
Silver exports	fine ounces	969,440	1,975,149	1,162,516
Sugar manufactured	lb.	174,045,529	146,317,261	92,174,302
Cheese, factory production	lb.	5,959,608	5,136,546	15,867,077
Butter, creamery production	lb.	15,006,629	15,396,069	22,603,387
Cotton consumption	lb.	16,236,970	15,978,183	16,662,648
Newsprint production	tons	282,344	288,726	309,957
Planks and boards exported	M ft.	231,532	138,924	241,494
Shingles exported	squares	163,766	256,230	291,217
Carloadings	no.	259,208	248,328	280,641
Canned salmon exports	cwt.	20,569	76,589	48,695
Contracts awarded	$	54,981,900	12,739,300	26,361,000
Exports	$	118,408,587	98,490,366	106,790,810

*According to preliminary calculations the physical volume of business showed advance in November over the preceding month.

November Cost of Living

The November cost of living index continued upward to 107.8 from 107.0 for October (1935-1939=100). Foods were mainly responsible for this increase, with butter and eggs contributing a major share of a rise from 106.1 to 108.7. Further scattered increases in coke and coal advanced the fuel index from 108.0 to 108.5. Clothing remained unchanged at 113.5, but home furnishings gained fractionally from 109.7 to 110.0. The miscellaneous index remained at 102.8 and rents at 107.7. In November last year the cost of living index stood at 103.8.

Automobile Production in November

Production of automobiles in November reached a higher point than in any month since June 1937, the total being 23,621 units compared with 21,151 in October and 16,756 in November, 1939. The total in June 1937 was 23,841. Production in the latest month included 10,814 passenger cars and 12,807 trucks.

During the eleven months of 1940 production of automobiles totalled 199,620 units, of which 98,473 were passenger models and 101,147 were trucks. In the corresponding period of 1939 the total output of automobiles was 138,450, whereas in 1938 the number was 147,472.

Production of Concentrated Milk

The quantity of concentrated milk manufactured in November was 11,874,242 pounds compared with 14,873,413 in the previous month and 12,076,757 in November, 1939. For the eleven months ended November production aggregated 183,097,654 pounds as compared with 155,289,825 in the corresponding period of 1939.

Department Store Sales in November

Department stores in all regions of Canada reported a pronounced increase in sales in November, dollar volume of business in the country as a whole increasing 21 per cent over November 1939 and six per cent over the previous month. Unadjusted indexes on the base 1930 equals 100 stood at 114.4 for November this year, 94.4 for November last year and 107.7 for October, 1940. Cumulative totals for the eleven months of 1940 were 12 per cent higher than in the same period of 1939.

1940 Honey Crop

The first estimate of Canada's 1940 honey crop shows a total production of 22,633,400 pounds. This is 21.6 per cent smaller than the 1939 crop of 28,873,100 pounds and 23 per cent smaller than the average production of the previous five years. Although production was curtailed by unfavourable weather conditions, the crop on the whole is of fair quality. A large proportion has already been marketed at prices averaging 2 to 3 cents higher than in 1939 and prospects are that the entire supply will be disposed of before the 1941 crop comes on the market.

Production follows by provinces in order of magnitude, with the revised estimates for 1939 in brackets: Ontario, 9,500,000(11,500,000) pounds; Manitoba 3,767,500(5,400,000); Saskatchewan 3,682,000(4,262,600); Quebec 2,200,000(4,355,000); Alberta 2,002,000(2,178,000); British Columbia 1,264,000(1,004,900); New Brunswick 124,000(82,800); Nova Scotia 75,000 (77,000); Prince Edward Island 18,900(12,400).

Production of Iron and Steel in November

The production of pig iron in November totalled 109,576 tons as compared with 109,385 in October. On a daily basis the rate of increase over November a year ago was 24.8 per cent. The output of ferro-alloys in November totalled 11,654 tons compared with 15,016 in the previous month and 7,285 in November last year.

The production of steel ingots and castings amounted to 176,113 tons compared with 185,091 in October and 147,182 in November a year ago. The cumulative total for the eleven months ending November 30 aggregated 1,825,752 tons, an increase of 48 per cent over the total of 1,234,765 tons made during the corresponding period last year.

Asbestos Production in 1939

Production of primary asbestos during 1939 including all grades, totalled 364,472 short tons valued at $15,859,212 compared with 289,793 short tons at $12,890,195 in 1938. The value of sales in 1939 was the highest ever recorded and the tonnage shipped was surpassed only by that in 1937.

The total value of Canadian asbestos exports in 1939 totalled $15,844,703 compared with $13,316,558 in 1938.

Production of Leading Mineral Products

Production of leading mineral products during the nine months ended September was as follows, with corresponding figures for 1939 in brackets: asbestos 249,219(246,888)tons; cement 5,528,618(4,423,481) barrels; clay products $3,751,449($3,649,636); coal 12,156,067 (10,667,359) tons; feldspar 15,998(7,422) tons; gold 3,935,341(3,801,760) fine ounces; gypsum 1,094,194(901,641) tons; lime 524,171(377,346) tons; natural gas 25,102,463,000 (24,927,868,000) cubic feet; petroleum 6,268,565(5,787,117) barrels; commercial salt 166,-235(176,557) tons; silver 17,619,772(17,637,398) fine ounces.

The White Metal Alloys Industry in 1939

Thirty-five factories reporting this group in 1939 had an output valued at $8,937,165 compared with $7,660,254 in 1938. Capital employed in these works at the end of 1939 amounted to $7,936,725. Of the total output during the year under review, 73 per cent came from plants in Ontario.

Sales and Purchases of Securities Between Canada And Other Countries in October

International trading in securities in October was again light in volume. The balance of sales contracted to $0.5 million compared with the $2 million balance in September. The principal change in the general outline of the trade was a contraction in sales of Canadian bonds.

The main channels of the trade continued to be between Canada and the United States. Net sales of United States stocks were smaller than in the preceding months. Repurchases of securities from the United Kingdom continued to exceed sales but by a smaller balance than in preceding months. Trade with other countries was light.

Trade in the first ten months of 1940 amounted to $25 million as against $62 million in the corresponding period last year.

Coffee, Tea, Spice and Miscellaneous Food Industries in 1939

A considerable advance occurred in this industry during 1939. The gross value of production shown by 225 establishments totalled $48,739,382 as compared with $43,107,293 in 1938.

By provinces the gross value of products in the tea, coffee, and spice group was as follows, with 1938 figures in brackets: Nova Scotia $1,013,199($872,394); New Brunswick $4,162,702($3,464,593); Quebec $5,513,183($6,152,033); Ontario $9,327,211($8,640,654); Manitoba $3,037,840($2,545,149); Saskatchewan and Alberta $418,727($385,588); British Columbia $6,211,548($4,568,469).

The miscellaneous food group includes industries whose production consists of food products, but which, owing to the nature of their ingredients, cannot properly be classified in any one group in sufficient numbers to warrant the publication of special reports.

The total capital invested in the coffee, tea, spice and miscellaneous food industries amounted to $30,391,438 an increase of 24 per cent over that of 1938.

Shipbuilding Industry in 1939

The value of work done in the 43 shipyards in operation in Canada during 1939 amounted to $11,234,967 compared with $10,360,686 in 1938. The 1939 total included work done on new vessels completed during the year, work done on unfinished vessels, ship repairs and for other products such as industrial machinery, fabricated structural steel work, etc. During 1939, 29 new vessels were launched with a finished value of $986,822.

Reports Issued During the Week

1. The Shipbuilding Industry in 1939 (15 cents).
2. Coffee, Tea, Spice and Miscellaneous Food Industries, 1939 (25 cents).
3. Canada's Leading Mineral Products, September (10 cents).
4. The Paper Box and Bag Industry, 1939 (25 cents).
5. Index Numbers of Wholesale Prices (10 cents).
6. Canadian Grain Statistics ($2.00 per year).
7. Sales and Purchases of Securities Between Canada and Other Countries in October (10 cents).
8. The White Metal Alloys Industry in 1939 (25 cents).
9. Summary of Canada's Exports in November, excluding gold (10 cents).
10. Canada's Domestic Exports by Principal Countries, excluding gold (10 cents).
11. Production of Iron and Steel in Canada, November (10 cents).
12. The Asbestos Industry in Canada, 1939 (25 cents).
13. Carloadings (10 cents).
14. The 1940 Canadian Honey Crop (10 cents).
15. The Soaps, Washing Compounds and Cleaning Preparations Industry, 1939 (25 cents).
16. Municipal Statistics, 1938 (25 cents).
17. Security Prices and Foreign Exchange (10 cents).
18. The Grain Situation in Argentina (10 cents).
19. Department Store Sales, November (10 cents).
20. Production of Concentrated Milk, November (10 cents).
21. Price Movements, November (10 cents).
22. Automobile Production, November (10 cents).