

## WEEKLY BULLETIN

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, and

Speculation - common stock prices and shares traded.

Notes on the indexes follow:

The railway traffic movement, after seasonal adjustment, recorded a further increase in the fifty-first week of the year. The index of carloadings advanced from 99.4 to 101.2, the gain having been occasioned by considerable improvement in the Western Division. The traffic moved during the first fifty-one weeks of the year amounted to 2,772,000 cars, recording a considerable increase over the same period of the preceding year.

Wholesale prices recorded minor recession in the week of December 20, the index dropping from 84.3 to 84.2. Recession was shown in crop products while minor gains were recorded in animal products, textiles and chemicals. An index of 18 sensitive commodities receded from 66.6 to 66.2, the recession being shared by manufacturing materials and foodstuffs. Owing to the upward drift of the last six months, wholesale prices have recently registered a higher level than at any other time in the last three years.

The moderate advance in high-grade bond prices continued in the third week of December. An index of capitalized yields rose 0.1 p.c. over the preceding week and 7.9 p.c. over the same week of 1939. Common stock prices recorded a minor recession in the week of December 19, the index standing at 77.0 against 77.2. The present level is 23.8 p.c. below that of the same week of 1939. Speculative trading continued at a low level, some recession having been shown from the preceding week. The total of bank clearings was unavailable for use in the preparation of the weekly index for the present week. The index of 96.0 for the preceding week was repeated for the purpose in hand.

A weekly index based on the above-mentioned factors rose from 108.7 in the second week of December to 109.1 in the week under review, a gain of 0.4 p.c. The standing one year ago was 104.2, an increase of 4.7 p.c. having been indicated.

A. Weekly Index with Six Components on Basis 1926=100

Week Ending	Car load-ings	Whole-sale Prices	Capitalized Bond Yields <sup>1</sup>	Bank Clear-ings <sup>2</sup>	Prices of Common Stocks	Shares Traded	Weekly Index <sub>3</sub>
Dec. 21, 1940	101.2	84.2	193.5	96.0	77.0	29.3	109.1
Dec. 14, 1940	99.4	84.3	143.3	96.0	77.2	33.0	108.7
Dec. 23, 1939	80.7	82.1	133.0	100.8	101.0	101.0	104.2

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.





## Wheat Situation

Somewhat larger supplies of wheat are in sight in the major exporting countries than were apparent a month ago. While Australia's poor yield has been confirmed, the Argentine crop has turned out larger than was expected and an upward revision has been made in the estimate for the United States wheat crop as well. With an unsold carry-over of old-crop wheat privately reported at 50 million bushels, Australia is entering the 1941 crop year with an exportable surplus of 87 million bushels. Argentina has just come through a crop season that was very favourable during the growing period, and the production of approximately 293 million bushels was more than had been anticipated. While Argentina's carry-over must have been very small, the exportable surplus from the present total supplies has been placed at 196.3 million bushels.

The increased United States supplies do not suggest increased export competition from that country since the apparent policy for some time has been not to press export sales under present conditions. The large Argentine crop indicates that Canada will be faced with greater competition from Argentine supplies in available markets other than the United Kingdom, although the latter country will undoubtedly take some wheat from Argentine as well. The Argentine wheat will be favoured in markets where price alone is the dominant consideration.

Canadian exports of wheat and flour, based on overseas clearances for wheat, have totalled 45,663,228 bushels for the August-November period in 1940. This volume is 10.3 million bushels less than the amount exported in the same period last year. When it is considered that an annual market of 60 million bushels for Canadian wheat has been lost, the deficiency in the 1940 exports as compared with a year ago is not severe.

For the past four weeks the total primary movement of wheat in western Canada has averaged 10 million bushels weekly, the total amount of wheat delivered from farms between August 1 and December 13 amounting to 264 million bushels.

The visible supply of Canadian wheat on December 13 established a further new record at 478,205,000 bushels, and it is probable that this figure will continue to mount. Examination of the amounts of wheat in store at country points and at Fort William-Port Arthur reveals additional space available for the receipt of wheat from farms. There is approximately 75 million bushels of western elevator space in sight for further delivery of wheat, although part of this space may be used up by a reduction in the 13.9 million bushels now in rail transit. A considerable portion of the presently available space in western elevators is due to shipments of 33.2 million bushels down the lakes during the last four weeks of navigation which closed on December 12.

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## Wheat Stocks in Store

The amount of Canadian wheat in store on December 20 was 483,888,664 bushels compared with 478,205,223 on December 13 and 352,621,890 on the corresponding date last year. The amount in transit by rail on the latest date was 14,018,987 bushels compared with 9,739,086 on the same date last year.

Stocks of wheat in the elevators on December 20 totalled 429,857,549 bushels compared with 424,710,698 a week ago and 313,498,455 in 1939. Canadian wheat in the United States amounted to 54,031,115 bushels compared with 53,494,525 a week ago and 39,123,435 last year.

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## Primary Movement of Wheat

Wheat receipts in the Prairie Provinces during the week ending December 20 amounted to 9,150,803 bushels compared with 9,697,603 in the previous week and 2,934,355 in the corresponding week last year. By provinces the receipts were as follows, figures in brackets being those for 1939: Manitoba, 1,263,080 (94,412) bushels; Saskatchewan, 3,767,227 (1,119,484); Alberta, 4,120,496 (1,720,459).

Marketings during the twenty weeks ending December 20 aggregated 273,221,343 bushels as compared with 361,103,329 in the corresponding period of the previous crop year. Totals follow by provinces: Manitoba, 37,030,921 (49,218,746) bushels; Saskatchewan, 148,319,657 (202,375,955); Alberta, 87,870,765 (109,508,628).

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### Overseas Export Clearances of Wheat

During the week ending December 20 the export clearances overseas of Canadian wheat amounted to 2,291,837 bushels compared with 2,443,261 in the corresponding week last year. The accumulated total for the twenty weeks ending December 20 was 37,251,398 bushels compared with 51,945,817 in the corresponding period of the previous crop year.

### Index Numbers of Living Costs

The index number of living costs on the base 1935-1939=100 rose from 107.0 in October to 107.8 in November, due to higher prices for foods, fuel and homefurnishings. Living costs for November were almost four per cent above the level of a year ago and approximately 7 per cent higher than at the outbreak of war.

An index for 46 food items advanced from 106.1 in October to 108.7 in November. Dairy products, eggs, groceries and fruits moved upward, while meats and vegetables recorded declines. Cereals remained at the same level for both months. Moderate increases in prices of coal and coke caused the fuel and lighting index to increase from 108.0 to 108.5. Homefurnishings moved up from 109.7 to 110.0.

### Sales of Radio Receiving Sets

Sales of radio receiving sets by Canadian manufacturers during the third quarter of 1940 totalled 116,866 units compared with 139,448 in the corresponding quarter of 1939. Customs figures show that 4,285 sets were imported during the latest three month period, including 2,922 which came in under special conditions. Imports of radio tubes during the same period amounted to 161,071.

### Production of Iron and Steel in November

The production of pig iron in November totalled 109,576 tons as compared with 109,325 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 was \$15,844,703 compared with \$13,316,558 in 1938.

### Financing of Motor Vehicles in November

Financing of new and used motor vehicles in Canada during November increased 12 per cent in number and 27 per cent in amount of financing over November a year ago. Financing of 11,927 units for an amount of \$5,470,478 was reported compared with 10,643 vehicles financed for \$4,306,163 in November, 1939. For the third consecutive month, the total volume was greater than for any corresponding month in the records. Cumulative totals for the first eleven months of this year showed 165,473 units financed for an amount of \$69,801,993 higher by 16 per cent in number and 19 per cent in amount of financing than the 143,294 vehicles financed for \$58,467,619 in the same period a year ago.

New vehicles financed in November totalled 2,948 with a value of \$2,538,480, as compared with 2,618 units financed for \$1,908,245 in November last year. Greater improvement was shown in the eastern sections of the country than in the west.





There were 8,972 used vehicles financed in November for \$2,931,998 as against 8,025 units financed for \$2,397,918 a year ago.

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#### Adhesives Industry in 1939

The value of production of the firms included in the adhesives industry was reported at \$2,110,806 in 1939 as compared with \$1,904,137 in 1938. Production of bone and hide glue decreased in quantity to 2,258 tons from 2,530 tons and in value from \$754,867 in 1938 to \$672,193.

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#### Reports Issued During the Week

1. Monthly Financing of Motor Vehicle Sales, November (10 cents).
  2. The Adhesives Industry, 1939 (15 cents).
  3. Security Prices and Foreign Exchange (10 cents).
  4. Production of Iron and Steel, November (10 cents).
  5. Asbestos Industry, 1939 (25 cents).
  6. Carloadings (10 cents).
  7. Weekly Index Numbers of Wholesale Prices (10 cents).
  8. Output of Central Electric Stations, November (10 cents).
  9. Production of Poultry and Eggs, 1939 (25 cents).
  10. Monthly Review of the Wheat Situation (10 cents).
  11. Building Permits, November (10 cents).
  12. Production and Sale of Radio Receiving Sets, July, August and September, 1940 (10 cents).
  13. Price Movements, November (10 cents).
  14. Canadian Grain Statistics (10 cents).
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