

## 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,

Speculation - common stock prices and shares traded.

Notes on the indexes follow:

The railway traffic movement recorded a slight improvement in the last week of February, the index on the base of 1926 advancing from 91.1 to 91.3. Gains were shown in both the eastern and western divisions. The traffic during the first two months amounted to about 470,000 cars compared with 425,000 for the same period of 1940. Construction contracts awarded during the first two months of this year amounted to \$51.3 million compared with \$20.6 million for the same period of 1940. The new business obtained by the industry was greater than in any similar period since 1930. The index of the physical volume of business on the base of 1935-39 was 130.5 in January compared with 113.8 in the same month of last year, a gain of 14.7 per cent.

Wholesale prices recorded an increase in the last week of February, the index advancing from 85.1 to 85.3. Increases were shown in crop products, animal products, iron and steel and non-metallic minerals, while other groups were maintained. General advances were shown in sensitive commodities, the index of industrial material prices advancing from 81.0 to 81.6. The index of sensitive manufacturing materials rose from 67.1 to 67.3 and foodstuffs moved up from 70.6 to 71.9. An index of stable raw materials was 106.0 last week, against 98.5 in the same week of 1940.

Advances were recorded in high-grade bond prices, an index showing a slight increase over the preceding month and a gain of 6.5 per cent over the same week of 1940. The 4½'s of 1946 advanced from 109½ on February 27 to 109½-8 on March 6. Bank clearings in thirty-two centres were about \$456 million against \$351.9 million in the preceding week. After deducting the clearings for Ottawa, and adjusting for seasonal variation, the index advanced twenty points to 119.5. The advance in common stock prices was of moderate proportions, the index having been 71.9 against 71.8. Speculative trading was at a particularly low level in the week under review.

The weekly index based upon the six-above-mentioned factors was 110.7 against 107.3 in the preceding week, a gain of 3.2 per cent. The standing in the same week of 1940 was 103.9, a gain of 6.5 per cent having been indicated.

A Weekly Index with Six Components on Basis 1926=100

Week Ending	Car loadings	Wholesale Prices	Capitalized Bond Yields 1	Bank Clearings 2	Prices of Common Stocks	Shares Traded	Weekly Index 3
Mar. 1, 1941	91.3	85.3	144.5	119.5	71.9	21.9	110.7
Feb. 22, 1941	91.1	85.1	144.3	99.5	71.8	25.3	107.3
Mar. 2, 1940	78.2	82.8	135.7	98.1	98.4	83.8	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 percentage of the average during the year 1926.



### Weekly Index Numbers of Wholesale Prices

The weekly index number of wholesale commodity prices on the base 1926-100, rose to 85.3 during the week ending February 28 from 85.1 in the previous week and 82.8 in the corresponding week last year.

### Canada's Tourist Trade in 1940

The Dominion Bureau of Statistics preliminary estimate of the tourist trade between Canada and other countries in 1940 shows receipts of \$128,000,000, expenditures of \$43,000,000, and a balance in Canada's favour of \$85,000,000. These figures are based on a much greater volume of information than in previous years; this was made available through the co-operation of the Customs Division of the Department of National Revenue and the Immigration Branch of the Department of Mines and Resources. Some idea of the improvement in the data for estimation may be gathered from the fact that, whereas in 1939 the expenditure sample for motor tourists constituted a fraction of 1 per cent of the numbers, the sample in 1940 was over 80 per cent for Canadian motorists and over 50 per cent for some groups of American motor tourists. Additional information which was obtained this year indicates that previous estimates of the receipts and expenditures on account of tourist trade were too high.

While it is impossible to state what the estimates would have been in 1939 had the same amount of information been available as in 1940, some idea of the difference between the results yielded by the old and new methods can be seen if the sample expenditures of 1940 are applied to the count of tourists for 1939. In that case receipts would have been \$164,000,000, expenditures \$86,000,000, and the favourable balance \$78,000,000. These figures compared with estimates made by the old methods showing receipts \$274,771,000, expenditures \$108,736,000, and the favourable balance \$165,975,000. Thus the more comprehensive information obtained in 1940 indicates that the previous estimate for net receipts for 1939 may have been too high by an amount of the order of \$80,000,000 to \$90,000,000.

Prospects for the tourist trade appeared bright early in 1940. A "personal" invitation had been issued to Americans by Prime Minister Mackenzie King urging them to visit Canada and cross the most peaceful frontier in the world. This invitation received wide publicity in the United States and resulted in a host of inquiries. It was followed by increased appropriations for advertising by the Canadian Travel Bureau. Provincial and local tourist bureaus and many private organizations co-operated in this effort to stimulate tourist travel. Statistics of tourist entries compiled by the Canadian Immigration Branch indicate that for the first half of the year the movement of visitors to Canada compared favourably with 1939. The total tourist entries in 1940 from January to June were 5,768,432 persons as compared with 5,886,648 in 1939. It was hoped that the numbers in 1940 would have exceeded those in 1939, however in July there was a decided falling off, only 1,818,000 visitors arriving as compared with 3,070,174 in 1939. In August there was an improvement, the numbers rising to 2,232,459 as against 3,012,083 in 1939. For the remainder of the year, though in no month was the level up to that of 1939, the falling off was a smaller percentage. For the year as a whole there were 13,592,429 tourist entries as compared with 16,578,119 in 1939. The decline over the year was 2,985,690 persons. To this total decline the first half of the year contributed 118,216 and the last half, 2,867,474. In the latter figure, July accounts for 1,252,173 and August 779,624.

Immigration records show 6,448,500 Canadians returning as compared with 11,555,236 in 1939, a decline of 5,106,736. For the first six months there were 4,622,273 Canadians touring out of Canada as compared with 4,865,695 in 1939, a decline of 243,422. In the last six months of the year the decline was, therefore, 4,863,314. This great decline in the final six months of 1940, of course, was due to the restrictions which the Canadian Government was forced to place on Canadian pleasure travel because of the mounting adverse balance of merchandise trade with the United States. The merchandise trade of Canada in 1940 showed total domestic exports of \$1,179 million, total imports of \$1,082 million and a favourable balance of \$97 million. In these amounts merchandise trade with the United Kingdom showed domestic exports of \$508 million, imports \$161 million and a favourable balance of \$347 million. With the United States there were domestic exports \$443 million, imports \$744 million and an unfavourable balance of \$301 million. In 1939 trade with the United States showed domestic exports of \$380 million, imports \$497 million and an unfavourable balance of \$117 million, or less than 40 per cent of the unfavourable balance of 1940.



In normal times the favourable balance of trade with the United Kingdom would have permitted an accumulation of cash in the United States which could have been used to offset Canada's unfavourable trade balance there, but at present only part of our British credits can be used to meet our American debits. Moreover, the Neutrality Act precludes borrowing in the United States. It was necessary, therefore, to conserve American dollars for the purpose of purchasing war materials in the United States. Expenditures on non-essentials in the United States are a hindrance to our war efforts, while urgent demand for American dollars renders the promotion of tourist traffic from the United States to Canada of more vital importance than in peace time. The restriction of visits to the United States and the endeavour to increase the number of American tourists visiting Canada are complementary parts of the same problem. It has been pointed out that the American enjoys a two-fold benefit in visiting Canada. In return for his dollars he enjoys many tourist facilities; thereafter Canada uses the dollars he leaves here to purchase munitions in the United States, thus helping to keep the wheels of American industry turning.

#### Country General Store Sales

Country general store sales averaged two per cent higher in January this year than last, according to returns received from approximately 650 of those general merchandise stores located in the smaller towns and rural areas. The unadjusted index for January this year, on the base 1935-1939=100, stood at 83.7 compared with 81.7 in 1940.

#### Index Numbers of Wholesale Sales

The dollar value of wholesale trading in January compared favourably with January 1940, composite figures for nine trades for which figures are available revealing an increase of eight per cent. All trades excepting footwear reported gains. The unadjusted index of sales for the nine lines of trade combined and on the base 1935-1939=100 stands at 106.1 for January as compared with 98.0 for January 1940.

#### Stocks of Raw Hides and Skins

Stocks of raw cattle hides held by tanners, packers and dealers in Canada at the end of January totalled 599,573 compared with 627,283 at the end of the previous month and 744,471 at the close of January, 1940. Calf and kip skins on hand on the latest date totalled 546,611 compared with 590,962 at the end of the previous month and 533,457 on January 31, 1940. Stocks of other types at the end of January this year included 69,989 dozen sheep and lamb skins, 97,521 goat and kid skins and 24,803 horse hides.

#### Output of Central Electric Stations

Central electric stations in Canada produced a total of 2,634,695,000 kilowatt hours in January this year, being the greatest January output to date. This output exceeded the January 1940 output of 2,526,143,000 kilowatt hours by 4.3 per cent. First power produced for use in Canada increased to 2,188,075,000 kilowatt hours from 1,853,157,000 in January, 1940, and was 53,760,000 kilowatt hours larger than the previous high record established in the previous month.

#### Overseas Export Clearances of Wheat

During the week ending February 28 the export clearances overseas of Canadian wheat amounted to 4,032,893 bushels compared with 3,998,053 in the corresponding week in 1940. The accumulated total for the thirty weeks ending February 28 was 65,148,796 bushels compared with 84,281,314 in the corresponding period of the previous crop year.

#### Primary Movement of Wheat

Wheat receipts in the Prairie Provinces for the week ending February 28 amounted to 2,631,190 bushels compared with 4,224,977 in the previous week and 1,423,906 in the corresponding week last year. Totals follow by provinces, with 1940 figures in brackets: Manitoba 130,396 (120,177) bushels; Saskatchewan 1,230,864 (672,590); Alberta 1,269,930 (589,139).

Marketings in the three provinces during the thirty weeks ending February 28 aggregated 322,798,279 bushels as compared with 373,186,353 in the corresponding period of the previous crop year. Totals follow by provinces, 1940 figures being in brackets:

Manitoba 42,329,777 (49,878,789) bushels; Saskatchewan 170,347,847 (208,143,925); Alberta 110,120,655 (115,121,639).

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#### Wheat Stocks in Store

Canadian wheat in store on February 28 totalled 488,678,694 bushels compared with 492,532,978 on February 21 and 319,845,204 on the comparable date last year. The amount of Canadian wheat in the United States on the latest date was 46,270,920 bushels compared with 46,613,324 on February 21 and 27,755,994 a year ago.

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#### Flour Production

Production of flour during January amounted to 1,177,369 barrels compared with 1,266,303 in January, 1940. Output during the first half of the current crop year totalled 8,641,743 barrels compared with 10,225,520 in the corresponding period of 1939-40.

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#### February Employment Situation

Industrial employment at the beginning of February showed an upward movement, which compared favourably with the decline reported at February 1 in each of the last three years; over a longer period of observation, however, activity at that date has shown little change, on the average from January 1. Accordingly the increase in the unadjusted index of employment at the date under review was accompanied by an advance in the seasonally corrected index; the latter has risen uninterruptedly since March, 1940, establishing in the last nine months, successive new all-time highs.

Returns received from 12,467 employers were tabulated with an aggregate working force of 1,326,092 men and women, compared with 1,316,869 at January 1. This increase of 9,223 persons, or 0.7 per cent, raised the crude index on the 1926 base as 100 from 134.2 in the preceding month to 135.2 at February 1 and compared with 114.4 on the same date last year. The seasonally-corrected figure advanced from 139.4 at January 1 to 140.5 at the beginning of February; as already indicated, this was the highest adjusted index for any month of the record of more than twenty years.

An analysis of the returns by industry shows that at February 1, 1941, there was marked seasonal improvement in manufacturing, in which the co-operating establishments reported an increase of 25,204 workers or 3.4 per cent as compared with January 1. This gain was decidedly larger than that shown at the same date in any recent year, considerably exceeding the normal increase between January and February in the experience of other winters of the record. The increase in employment in manufacturing raised the index to 147.4, the highest on record; the previous maximum figure was that of 144.7 at December 1, 1940. The seasonally-adjusted figure, 153.0, was also higher than in any other month for which statistics are available.

The most pronounced expansion at the beginning of February was in iron and steel, the co-operating plants reporting 13,861 more employees than in the preceding month. Textile, chemical, lumber, leather, tobacco and many other lines also showed decided gains. On the other hand, there were seasonal losses in food and beverage factories.

Among the non-manufacturing industries, mining, transportation and railway construction and maintenance reported heightened activity, while the movement was unfavourable in the other groups. There were particularly large losses in trade, following the exceptionally great activity over the holiday season; nearly 13,500 persons were released, the decline of 8.6 per cent rather exceeding the average contraction at mid-winter in the years since 1920. Logging, communications, building and highway construction and maintenance and services also reported reductions in personnel; with the exception of those in logging, these declines were unusually small for the time of year.

For February 1, 1940, 11,857 establishments had furnished employment returns, showing an aggregate working force of 1,117,761 persons; the latest index was 18.2 per cent higher than that of 114.4 at February 1, 1940.

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## Bank Debits to Individual Accounts

Bank debits, or the amount of cheques cashed in the thirty-two clearing centres totalled \$2,941,104,197 in January 1941, a gain of 10 per cent over the same month of 1940, when the total was \$2,674,334,955. The total for the previous month was \$3,208,347,577, the aggregate for the latest month being three per cent greater after seasonal adjustment.

Totals follow by economic areas, with January 1940 figures in brackets: Maritime Provinces \$72,797,463 (\$63,561,032); Quebec \$780,324,219 (\$808,906,219); Ontario \$1,462,604,924 (\$1,135,585,590); Prairie Provinces \$448,855,061 (\$493,748,304); British Columbia \$176,522,530 (\$172,533,310).

## Commercial Failures in 1940

The total number of commercial failures in Canada in 1940, as reported under the provisions of the Bankruptcy and Winding Up Acts, was 1,173, being a decrease of 219 from the 1939 figure. Estimated grand total assets were \$7,676,295 in 1940 compared with \$11,186,360 in 1939, and total liabilities \$10,663,326 compared with \$15,089,461.

Commercial failures of trading establishments in 1940 numbered 591 as compared with 664 in 1939. In manufactures, there were 167 failures compared with 210, in service 201 compared with 197, and in other lines including agriculture, mining, logging, fishing and trapping, construction, transportation and public utilities and finance there were 163 failures compared with 246.

## Financing of Motor Vehicle Sales

Motor vehicle financing in Canada continues higher than in the corresponding months of earlier years, gains in January this year standing at 16 per cent in number and 25 per cent in amount of financing over January, 1940. There were 9,325 new and used vehicles financed in January, 1941, for a total of \$ 4,545,020 compared with 8,069 units financed for \$3,628,207 in the corresponding month in 1940.

## Production of Steel and Iron

Production of steel ingots and castings reached a new high point in January, when the total was 186,303 gross tons compared with 185,420 in December and 166,496 in January, 1940. Production in the latest month included 180,563 tons of ingots and 5,470 tons of direct castings.

Pig iron production totalled 103,085 gross tons compared with 110,477 in December 194,793 in January, 1940. Output of ferro-alloys amounted to 15,231 tons compared with 18,397 in December and 8,065 in January, 1940. Included in the pig iron output were 89,597 tons of basic iron, 8,271 tons of foundry iron and 5,217 tons of malleable iron.

## Sales of Radio Receiving Sets

The volume of sales of radio receivers by Canadian producers in 1940 was the highest on record, totalling 438,976 sets compared with 370,568 in 1939 and 251,299 in 1938. Customs figures for 1940 show that 36,062 sets were imported during the year, including 25,745 brought in free as tourists' purchases. Imports of radio tubes numbered 989,026.

Analysis of the sales by provinces during 1940 show that Ontario took 195,099 sets or 44.4 per cent of the total; Quebec, 78,321 or 17.8 per cent; Maritimes 41,444 or 9.5 per cent; British Columbia 40,241 or 9.2 per cent; Manitoba 38,054 or 8.7 per cent; Alberta, 26,319 or 6.0 per cent and Saskatchewan, 19,490 or 4.4 per cent.

## Canadian Tobacco Industry

An historical summary of the Canadian tobacco industry has been prepared by the Dominion Bureau of Statistics and the Department of Agriculture. This information is released in the form of a handbook and traces the gradual expansion of the industry from early settlements days when tobacco growing was discouraged to its present status as an important contributor to the national income. In 1939 the output of the industry was valued at \$90.6 million dollars, and the crop of raw leaf produced in that year returned to the growers 19.4 million dollars.

The major development in the industry has taken place since 1926 and has been due almost entirely to the phenomenal increase in the production of flue-cured tobacco—particularly in Ontario. The total crop in 1939 reached the record level of 107.7 million pounds and exports for that year totalled 32.2 million pounds. Loss of export markets due to the war, a sharp cut in acreages and extensive frost damage to the flue-cured crop reduced total output in 1940 to approximately 60 per cent of the previous year and reversed the trend of production which had been sharply upward since 1936.

The total production of manufactured products in 1939, including excise duties, was valued at 90.6 million dollars as compared with 85.1 million in 1938. Consumption of tobacco products, as indicated by tax-paid withdrawals in 1939, amounted to 7,571.8 million cigarettes, 165.7 million cigars and 34.4 million pounds of other manufactured tobacco.

The annual domestic consumption of leaf tobacco averages approximately 42 million pounds. The proportion of home-grown tobacco used in Canadian manufacture rose steadily from 54 per cent in 1930 to 90.4 per cent in 1939. The increase has been chiefly in flue-cured varieties, and is accounted for by the increase in the domestic consumption of manufactured products, particularly cigarettes, while at the same time there has been a steady improvement in the quality of the locally grown flue-cured leaf. This increased use of domestic leaf has been accompanied by a decrease in imports from 14.3 million pounds in 1931 to 3.8 millions in 1940.

Exports of raw leaf increased from 6.7 million pounds in 1931 to 32.2 million pounds in 1939, but the restrictions on export markets owing to difficulties in securing foreign exchange resulted in a total export of less than 10 million pounds in 1940.

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#### Canada's External Trade in January

Canada's external trade in January, excluding gold, was valued at \$187,335,121 compared with \$161,957,982 in January, 1940, a gain of \$25,377,139. Imports were valued at \$98,382,462 compared with \$71,104,145, domestic exports \$86,921,468 compared with \$90,100,133 and foreign exports \$2,031,191 compared with \$753,704.

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#### Sales of New Motor Vehicles

Sales of new motor vehicles during January 1941, excluding deliveries to the government for war purposes, were nine per cent lower in number than in January 1940, but the retail value was one per cent higher. There were 8,006 new motor vehicles sold for a total of \$10,012,591 in the latest month compared with 8,774 units selling for \$9,892,263 in January, 1940.

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#### Reports Issued During the Week.

1. Weekly Index Numbers of Wholesale Prices (10 cents).
2. Output of Central Electric Stations, January (10 cents).
3. Stocks of Raw Hides and Skins, January (10 cents).
4. Monthly Indexes of Wholesale Sales, January (10 cents).
5. Monthly Indexes of Country General Store Sales, January (10 cents).
6. Current Trends in Food Distribution, January (10 cents).
7. Canada's Tourist Trade, 1940 (10 cents).
8. Housing in Canada, (50 cents).
9. Trade of Canada, January, 1941 (10 cents).
10. Imports By Principal Countries, January (10 cents).
11. The February Employment Situation (10 cents).
12. Canadian Grain Statistics (10 cents).
13. Canadian Milling Statistics (10 cents).
14. Car Loadings (10 cents).
15. Stocks and Consumption of Unmanufactured Tobacco, Fourth Quarter, 1940 (15 cents).
16. Statistical Handbook of Canadian Tobacco (25 cents).
17. Production and Sale of Radio Receiving Sets, October, November and December, 1940 (25 cents).
18. Production of Iron and Steel, January (10 cents).
19. Financing of Motor Vehicle Sales, January (10 cents).
20. Commercial Failures, 1940 (10 cents).
21. Bank Debits to Individual Accounts, January (10 cents).
22. Security Prices and Foreign Exchange (10 cents).



23. Monthly Indexes of Retail Sales, January (10 cents).
  24. Monthly Sales of New Motor Vehicles, January (10 cents).
  25. Sales of Motor Vehicles and Motor Vehicle Financing, 1939 (25 cents).
  26. Weekly Index Numbers of Wholesale Prices (10 cents).
  27. Output of Central Electric Stations, January (10 cents).
  28. Stocks of Raw Hides and Skins, January (10 cents).
  29. Monthly Indexes of Wholesale Sales, January (10 cents).
  30. Monthly Indexes of Country General Store Sales, January (10 cents).
  31. Current Trends in Food Distribution, January (10 cents).
  32. Canada's Tourist Trade, 1940 (10 cents).
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