

WEEKLY BULLETIN

Dominion Bureau of Statistics

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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 receded in the second week of March, the index on the base of 1926 having been 93.9 against 96.0 in the preceding week. A marked gain was shown over the same week of last year as indicated by an index of 77.5. Consumption of raw cotton, indicating conditions in the textile mills was 5.8 per cent below last year's record total in February. An expansion of 6.2 per cent, however, was shown over the preceding month, resulting in the best level since last May. The total consumption was 33,683 bales against 31,701 in January.

The index of wholesale prices advanced from 85.5 to 85.7 in the second week of March. Advances were shown in crop and animal products, textiles and non-metallic minerals, while a minor recession was indicated in non-ferrous metals. Advances were also shown in sensitive commodities, the index for this division rising from 68.8 to 69.4.

Moderate recovery was shown in common stock prices in the second week of March, the index having been 72.6 against 72.1. The decline since the same week of last year, however, was 27 per cent. Speculative trading was again at a low level. The adjusted index of bank clearings advanced from 109.9 to 114.4.

A minor recession was shown in high-grade bond prices, but a gain of 6.2 per cent was recorded over the same week of last year in the index of capitalized yields. It was announced on March 13, that the sale of \$40 million of Dominion of Canada Treasury Bills, due June 13, had been made at an average discount price of 99.84828 and average yield of 0.609 per cent. The last preceding sale of bills two weeks ago brought a price of 99.84488 to yield 0.623 per cent.

A weekly index representing the average fluctuations in the above-mentioned factors was 110.6 in the week of March 15, against 110.3 in the preceding week, a gain of 0.3 per cent. The standing in the same week of 1940 was 105.9, an advance of $4\frac{1}{2}$ per cent having been shown.

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
March 15, 1941	93.9	85.7	144.7	114.4	72.6	22.4	110.6
March 8, 1941	96.0	85.5	144.9	109.9	72.1	24.6	110.3
March 16, 1940	77.5	83.1	136.2	107.9	99.4	120.1	105.9

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 has been eliminated from the composite and the resulting index expressed as a percentage of the average during the year 1926.

Economic Conditions in January

Estimated national income in the first month of the year was \$422 million, the gain over December when the standing was \$419 million having been 0.7 per cent. As the estimate for January, 1940, was \$405 million, an increase of \$17 million or 4.2 per cent was recorded. The standing of the money income in the calendar year 1940 was higher than in any similar period in the last ten years. The estimate of real income, obtained by adjusting for price changes, was greater in 1940 than in any other year in history. The real income based on prices for 1926 was \$5,090 million in 1940, compared with the previous maximum of \$5,022 million in 1928.

High-grade bond prices averaged higher in January than in any month since August, 1939. A considerable proportion of the sharp reaction during the first month of hostilities has now been counterbalanced. The sum of the notice and demand deposits of the banks showed further increase at the first of January. The level was practically as high as on the same date of 1940. During the last twelve months, considerable fluctuation had been shown in bank deposits due in part to payments for war loans.

The marked expansion in productive operations during the last twelve months was indicated by an advance in the index of the physical volume of business from 113.8 in January, 1940, to 130.5 in the first month of the present year. The acceleration was practically general throughout the economic system, advances being recorded in each of the five main segments represented in the index of the physical volume of business. The advance in the index of mineral production was from 116.4 to 122.7. It was recently announced that the value of mineral production in 1940 was \$529.2 million compared with \$474.6 million in 1939. The value of gold produced by Canadian mines rose from \$184.1 million to \$204.9 million. Marked expansion was shown in the production of base metals including nickel, copper, lead and zinc.

The index of manufacturing production rose from 130.2 in January, 1940, to 141.9 in the month under review, important increases having been shown in the production of most of the commodities considered in this connection. The new business obtained by the construction industry rose sharply in January as compared with the same month of last year. The index for the industry, after correction for changes in building costs rose from 94.9 to 275.3. The index of electric power production was 116.7 against 111.0 one year ago. The compilation for distribution rose from 96.7 to 105.4, reflecting increases in each of the components, except merchandise exports, where a minor recession was shown.

The year 1940 witnessed unprecedented expansion in industrial employment, a continuation and intensification of the upward movement which had its inception late in 1939. Apart from seasonal fluctuation, employment is expected to gain momentum in the months to come as a result of the development of Canada's war effort. The number of employees engaged in co-operating establishments was raised by more than one-fifth from January 1 to December 1, 1940. In a move to prevent the familiar inflation spiral of rising production and living costs, the Government has instructed conciliation boards appointed under the Industrial Disputes Investigation Act to recommend cost-of-living bonuses instead of wage increases. The period 1926-29 is established as a yardstick for fair and reasonable wage levels.

Showing the usual seasonal decline, current loans in Canada were \$22.6 million less in the combined statement for all chartered banks as of December 31, compared with November 30. Substantial increases were shown in demand and notice deposits and holdings of government and other securities. Net profits of the Bank of Canada on 1940 operations were more than double those earned in 1939, the figures, after providing for contingencies and reserve, being \$4.0 million and \$1.9 million, respectively.

The Dominion revenues amounted to \$80.2 million in January and expenditures to \$125 million, resulting in a deficit of \$44.8 million. A year ago the figures were, respectively, \$42.8 million, \$58.7 million and \$15.9 million. The latest month's total brought the revenue for the ten months of the present fiscal year to \$652.8 million and expenditures to \$920.6 million. More than half the national income, or a total of at least \$2,700 million will be taken by the federal, provincial and municipal governments for war and non-war purposes in the next fiscal year. The war expenditure was placed at \$1,420 million for that period.

February Building Permits

The value of building permits issued by municipalities reporting to the Dominion Bureau of Statistics in February totalled \$5,667,028 compared with \$4,419,926 in the previous month and \$3,912,789 in February, 1940. During the latest month, new construction of all types accounted for 77.6 per cent of the total value, while the percentage of new residential construction was 35.5.

Production of Gold in December

The Canadian production of gold in December totalled 450,132 ounces valued at \$17,830,082 compared with 450,006 valued at \$17,325,231 in the previous month and 434,546 at \$16,730,021 in December, 1939.

Producers in Ontario reported an output of 230,048 ounces in December 1940 as compared with 271,876 in December, 1939, Quebec 88,472 ounces compared with 82,827, British Columbia 51,192 ounces compared with 46,627, Manitoba and Saskatchewan 21,618 ounces compared with 21,970, Yukon 916 ounces compared with 4,176, Northwest Territories 6,999 ounces compared with 4,944. Shipments to the Royal Canadian Mint from Nova Scotia in December amounted to 871 ounces compared with 2,110.

Jewellery and scrap receipts at the Royal Canadian Mint during December 1940 contained 714 ounces of gold compared with 868 in December, 1939.

Production and Sales of Asphalt Roofing

The production of asphalt roofing by firms reporting their operations to the Dominion Bureau of Statistics in February, included 184,304 squares of shingles, siding and roofing and 3,268 tons of felts and sheathing compared with 122,317 squares of the former and 2,407 tons of the latter in February, 1940.

Producers sales during February this year included 124,813 squares of shingles, siding and roofing and 2,327 tons of felts and sheathing compared with 91,620 squares and 1,815 tons, respectively, in February, 1940.

Stone Quarrying Industry

The gross value of all varieties of stone produced in Canada during 1939 totalled \$6,475,696 compared with \$5,555,026 in 1938. Comprising the tonnage shipped in 1939 were 1,102,395 tons of granite valued at \$2,119,501; 4,149,589 tons of limestone at \$3,817,551; 14,124 tons of marble at \$200,054; 176,265 tons of sandstone at \$331,830 and 1,149 tons of slate worth \$6,760. Of the total value of stone sold in 1939, the value of Quebec shipments amounted to 51 per cent, Ontario 35 per cent and British Columbia six per cent.

Stone of almost every known variety occurs in Canada; rocks of the igneous areas of British Columbia, Manitoba, Ontario, Quebec and the Maritime Provinces exhibit a wide range of physical characteristics, some varieties being especially noted for their richness of colour and beauty of crystallization. The sedimentary rocks, including limestones, sandstones and marbles are quarried at various points in Canada. The products from quarries operating in these different formations not only yield high class structural and decorative materials but provide the chemical and other allied industries with many of their increasing requirements.

Production of Coal and Coke

The Canadian production of coal in January was recorded at 1,745,482 tons compared with 1,732,681 tons a year ago and 1,460,114, the average for the month during the past five years. Output of coke from ovens and gas retorts during January amounted to 267,899 tons compared with 267,311 in the previous month and 257,269 in January, 1940.

Canada imported 529,570 tons of coal in January or 15.9 per cent above the imports a year ago. Exports of Canadian coal amounted to 43,576 tons compared with 43,520 in 1940. Coal made available for consumption during the month totalled 2,231,476 tons as compared with 2,146,236 in the corresponding month last year.

Department Store Sales in February

The dollar volume of department store sales gained 11 per cent in February over the same month in 1939 and showed improvement of two per cent over the previous month. The unadjusted indexes of sales on the base 1935-1939 equals 100 stood at 94.4 for the latest month compared with 92.9 in January and 84.8 in February, 1940.

Domestic Exports in February

The value of Canada's domestic exports, excluding gold, moved higher in February, aggregating \$99,597,252 compared with \$71,078,946 in February, 1940. The total for the first two months of 1941 was \$186,518,720 compared with \$161,179,079 in the like period of 1940. Exports in February of foreign merchandise totalled \$935,891, compared with \$1,235,125 in February 1940, and the total for January and February this year was \$2,967,082 compared with \$1,988,829 in 1940.

Leading domestic exports in February follow, with 1940 figures in brackets: Non-ferrous metals, \$18,462,000 (\$14,008,000); newsprint paper, \$10,324,000 (\$8,247,000); meats, \$10,050,000 (\$3,879,000); wheat, \$7,857,000 (\$5,775,000); automobiles and parts, \$7,281,000 (\$1,925,000); wood pulp, \$5,436,000 (\$3,399,000); planks and boards, \$4,393,000 (\$2,913,000); chemicals, \$2,935,000 (\$2,294,000); fishery products, \$2,930,000 (\$2,204,000); wheat flour, \$2,000,000 (\$2,136,000).

Other leading exports: rubber, \$918,000 (\$1,099,000); cattle, except for stock, \$659,000 (\$408,000); furs, chiefly raw, \$1,357,000 (\$1,764,000); cotton, \$1,179,000 (\$658,000); red cedar shingles, \$771,000 (\$565,000); pulpwood, \$776,000 (\$541,000); pigs, ingots, etc., \$1,503,000 (\$449,000); machinery, other than farm, \$1,292,000 (\$855,000); stone, \$894,000 (\$690,000); fertilizers, \$1,088,000 (\$804,000); electrical energy, \$510,000 (\$319,000).

Wheat Stocks in Store

The visible supply of Canadian wheat on March 14 was 486,395,125 bushels compared with 485,401,719 on March 7 and 315,280,914 on the corresponding date last year. The amount of Canadian wheat in the United States on the latest date was 45,738,192 bushels compared with 46,116,068 on March 7 and 25,680,964 a year ago.

Export Clearances of Wheat

During the week ending March 14 the export clearances overseas of Canadian wheat amounted to 3,597,699 bushels compared with 5,426,124 in the corresponding week in 1940. Clearances during the thirty-two weeks ending March 14 aggregated 73,475,283 bushels compared with 93,882,093 in the corresponding period of the previous crop year.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces for the week ending March 14 amounted to 4,875,142 bushels compared with 2,886,738 in the previous week and 1,952,129 in the corresponding week in 1940. By provinces the receipts were as follows, with 1940 figures in brackets: Manitoba, 599,739 (141,804) bushels; Saskatchewan, 2,267,275 (1,053,058); Alberta, 2,008,128 (757,267).

Marketings in the three provinces for the thirty-two weeks ending March 14 aggregated 330,454,789 bushels compared with 376,744,895 in the same period of the previous crop year. Totals follow by provinces: Manitoba, 43,254,945 (50,122,004) bushels; Saskatchewan, 173,723,731 (210,017,198); Alberta, 113,376,113 (116,605,693).

Production of Concentrated Milk in February

The output of concentrated milk products in February amounted to 12,067,340 pounds, being 4 per cent lower than in the preceding month but 30 per cent in advance of the output in February last year. The quantity of concentrated milk held in storage on March 1 was 8,670,494 pounds, a reduction from February 1 of 32 per cent and a decrease from March 1 a year ago of 31 per cent.

Exports of concentrated milk in February amounted to 6,310,600 pounds as compared with 4,875,600 in the preceding month and 1,964,800 in February, 1940. The principal item is evaporated milk, with a total of 4,330,600 pounds and second is condensed milk with 1,423,400.

Reports Issued During the Week

1. Production of Concentrated Milk, February (10 cents).
 2. Miscellaneous Wood-Using Industries, 1939 (10 cents).
 3. Weekly Index Numbers of Wholesale Prices (10 cents).
 4. The Grain Situation in Argentina (10 cents).
 5. Summary of Canada's Domestic Exports, February (10 cents).
 6. Preliminary Report on Department Store Sales, February (10 cents).
 7. Coal and Coke Statistics, January (10 cents).
 8. Car Loadings (10 cents).
 9. The Stone Industry, 1939 (50 cents).
 10. Security Prices and Foreign Exchange
 11. Monthly Review of Business Statistics, February (10 cents).
 12. Gold Production, December (10 cents).
 13. Canada's Domestic Exports by Principal Countries, February (10 cents).
 14. Sales of Asphalt Roofing, February (10 cents).
 15. Production of Asphalt Roofing, February (10 cents).
 16. Canadian Grain Statistics (10 cents).
 17. Building Permits, February (10 cents).
 18. Economic Conditions in Canada, January (10 cents).
 19. Family Income and Expenditure in Canada, 1937-1938 (50 cents).
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