

WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce

Vol. L - No. 13

Ottawa, Saturday, March 29, 1941

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 showed recession in the third week of March from the preceding week after seasonal adjustment. The general index on the base of 1926 recoded from 93.9 to 90.2, a decline of nearly 4 per cent. The advance over the same week of 1940 was about 26½ per cent. The movement of commodities in the eastern division was nearly maintained while some reduction was recorded in the West.

Livestock marketings were well maintained on stockyards during February, the official index rising about 3 points to 97.8. A recession in the output of steel ingots and pig iron was greater in February than normal for the season. Measured by employment in retail and wholesale trade, the volume was well maintained during the second month of the year, the adjusted index advancing a half point to 115.8.

Further advance was shown in commodity prices in the third week of March, the index advancing from 85.7 to 86.0. Five of the eight main groups showed gains, the exceptions being iron, non-ferrous metals and non-metallic minerals, the sub-indexes for which were unchanged. Sensitive commodities recorded a gain in the third week of March, a rise being shown in manufacturer's materials. The index for this section rose from 68.3 in the week of March 14, to 68.8 in the week of March 21st.

Further advance was shown in high-grade bond prices, the index of capitalized yields having been 6.4 per cent over the same week of 1940. The adjusted index of bank clearings after the smoothing process recoded eleven points to 103.4. The official index of common stock prices advanced 1 point to 73.6. The decline from the same week of 1940 was 25.4 per cent. Speculative trading showed greater activity than in the preceding week.

The weekly index representing the average fluctuations in the above-mentioned factors was 108.4 in the week of January 22, against 110.6 in the preceding week. The standing in the same week of 1940 was 101.5, an increase of 6.8 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 2	Prices of Common Stocks	Shares Traded	Weekly Index 3
March 22, 1941	90.2	86.0	144.9	103.4	73.6	32.2	108.4
March 15, 1941	93.9	85.7	144.7	114.4	72.6	22.4	110.6
March 23, 1940	71.3	83.2	136.2	90.6	98.6	72.5	101.5

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 Show Betterment in February

The fundamental factors indicating the trend of economic conditions averaged higher in February than in the preceding month. The marked change was an increase in the sum of the notice and demand deposits, the standing at the first of the month having been higher than at any other time in banking history. The advance in wholesale prices continued, increases are now being shown from week to week. The present level is higher than at any other time since 1937.

High-grade bond prices were practically maintained in February at the level of the preceding month. Much of the decline of the first month of hostilities has been counter-balanced by the subsequent advance. Speculative factors were adverse in February, the index of common stock prices recording a decline of appreciable proportions. The official index has been below the line of long-term trend since the latter part of 1937. The present position, aside from a month or two in 1940, is now lower than at any time since 1933. Speculative trading, indicating a lack of interest by speculators, was at a lower level than in the preceding month.

Economic Conditions in February Compared With The Same Month of 1940

		February 1941	February 1940	January 1941
Physical Volume of Business	1935-39=100	*	108.6	130.5
Gold Receipts	fine oz.	411,880	348,739	461,602
Silver shipments	fine oz.	1,299,088	1,451,793	1,528,932
Factory cheese production	lb.	973,480	1,830,874	1,110,347
Creamery butter production	lb.	9,904,095	9,149,420	11,727,359
Cigars released	no.	12,905,653	11,196,775	13,120,418
Cigarettes released	no.	556,518,619	500,688,677	623,571,303
Cotton consumption	lb.	16,603,876	17,927,590	15,679,582
Newsprint production	tons	245,607	231,823	261,298
Shingles exported	squares	276,916	213,391	249,586
Carloadings	no.	217,533	199,145	228,536
Sugar manufactured	lb.	43,313,001	33,158,321	37,921,156
Automobile production	no.	23,710	18,193	23,195
Contracts awarded	\$	24,704,600	11,768,900	26,579,800
Bank debits	\$000	2,540,182	2,955,217	2,941,104
Exports	\$	100,533,143	72,314,071	88,952,659

* According to preliminary calculations the index of the physical volume of business showed decline in February from January.

Stock and Poultry Food Industry

The stock and poultry foods industry is an important factor in the agricultural development of the Dominion, in so far as it relates to animal husbandry and poultry raising. In addition to the feed grown by farmers themselves, when crop conditions are favourable, large quantities of scientifically blended feeds are produced annually by manufacturers of stock and poultry foods. For the year 1939 the output of this industry was valued at \$12,665,243 requiring the labour of 1,311 persons whose remuneration amounted to \$1,572,489. The value of grain and other materials used totalled \$9,102,342, while the capital invested in fixed and current assets was \$8,282,383.

In addition to the stock and poultry foods produced in this industry, large quantities are also produced in other industries, notably, "flour and feed mills", "slaughtering and meat packing" and "breakfast foods" establishments. The production of stock and poultry foods by all industries in 1939 totalled 375,900 tons. Of this amount 229,974 tons were reported by the stock and poultry foods industry and 145,926 tons by other manufacturing industries and retail stores mixing feeds. Compared with the previous year there was an increase of 62,450 tons in the total production of stock and poultry foods by all industries.

World Wheat Situation

A perceptible improvement has been noted in the rate of Canadian wheat exports through February and the first two weeks of March. During this period, wheat clearances alone have averaged 3.8 million bushels weekly, and in the week ending March 7 the clearances reached their best level for the crop year at 4.7 million bushels. For the first time this season, the weekly wheat exports have attained a volume commensurate with that of the corresponding weeks in the 1939-40 crop year. The combined exports of wheat and flour for the month of February totalled 17,920,705 bushels, which is the largest monthly amount since the invasion of the Low Countries. This quite reverses the peace-time seasonal pattern of Canadian wheat and flour exports in which the volume drops off from January through April while the St. Lawrence ports are closed. The present acceleration in shipments is resulting from increased takings by the United Kingdom, although Spain and Portugal are also taking Canadian wheat. Within the past four weeks, the United Kingdom and Portugal have arranged for a considerable volume to be shipped from Atlantic ports as well as from the St. Lawrence after the opening of navigation. Portugal is reported to have purchased nearly 2 million bushels of Canadian wheat within the past month.

The only other substantial exporter of wheat at the present time is Argentina, although the weekly volume of Argentine exports is not yet heavy, having increased gradually from 1 million bushels in the week ending February 14 to 2 million bushels in the week ending March 14. This rate is much below the normal volume of Argentine exports for this season of the year. The destinations of the current Argentine shipments are principally Brazil and Spain, although some shipments are being consigned to the United Kingdom. Within the past month, the United States has concluded some additional export sales of Pacific Northwest wheat to the Orient. A Washington press report of March 18 indicates that arrangements are being completed to permit the shipment of two grain cargoes in French vessels from the United States to Marseilles, for consumption under supervision in unoccupied France.

The general outlook for European winter wheat crops has not changed significantly within the past month. Balkan winter wheat prospects are at present somewhat below average, but are subject to good recovery if the spring weather proves favourable. Much of the Russian winter wheat crop has had the advantage of a good snow cover. Crop damage has been reported in each of the following countries: Italy, France, Spain and Portugal where more than average abandonment is expected. In India a good harvest is getting under way on an area practically unchanged from last year's acreage from which 402,600,000 bushels were harvested. No numerical estimate of this year's production is available as yet.

Three private estimates of the 1941 United States winter wheat crop issued early in March averaged 611,000,000 bushels, as compared with the 1940 production of 589,000,000 bushels. The private estimate averaged 22,000,000 bushels below the official forecast as at December 1 last. With the June 30 carry-over of old-crop wheat predicted at 385,000,000 bushels, the United States will have 1941 wheat supplies approximating 1,000,000,000 bushels without taking into account the spring wheat crop which may raise the total by another 200,000,000 bushels. With annual domestic requirements running around 700,000,000 bushels and the current volume of exports less than 50,000,000 bushels a year, the prospects are for a further increase in the carry-over during 1941-42. Presumably, marketing quotas will be in effect for the first time on deliveries from the 1941 crop. On March 18, the United States Department of Agriculture estimated the 1941 intended spring wheat area at 17,137,000 acres, indicating a reduction of 7.6 per cent from the area sown to spring wheat last year.

World Shipments of Wheat

World shipments of wheat during the week ending March 22 amounted to 5,641,000 bushels compared with 7,757,000 in the previous week and 10,713,000 during the corresponding week last year. Shipments during the period August 1, 1940, to March 22, 1941, aggregated 163,136,000 bushels as compared with 329,283,000 in the corresponding period of the previous crop year.

Overseas Export Clearances of Wheat

During the week ending March 21, the export clearances overseas of Canadian wheat amounted to 4,784,041 bushels compared with 3,282,345 in the corresponding week in 1940. The accumulated total for the period from August 1, 1940, to March 21, 1941, was 78,259,329 bushels compared with 97,164,438 in the corresponding period of the previous crop year.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces for the week ending March 21 amounted to 4,478,855 bushels compared with 4,925,196 in the previous week and 1,860,552 in the corresponding week in 1940. By provinces the receipts for the latest week were as follows, figures within brackets being those for 1940: Manitoba 568,896(203,803) bushels; Saskatchewan 2,105,224(976,704); Alberta 1,804,735(688,045).

Marketings in the three provinces for the thirty-three weeks ending March 21 aggregated 334,981,640 bushels compared with 378,613,447 in the corresponding period of the previous crop year. Marketings follow by provinces, with figures for 1940 in brackets: Manitoba 43,847,118(50,325,807) bushels; Saskatchewan 175,834,134(210,993,902); Alberta 115,300,388(117,293,738).

Visible Supply of Wheat

The visible supply of Canadian wheat on March 21 aggregated 483,557,260 bushels compared with 486,415,126 on March 14 and 313,208,008 on the corresponding date last year. The amount in store in elevators in Canada on the latest date was 439,014,909 bushels compared with 440,676,933 on March 14 and 288,445,718 a year ago. The total in transit by rail was 13,013,916 bushels against 11,453,527 a week earlier and 6,874,093 in 1940.

Sales and Purchases of Securities Between Canada and Other Countries

Canada's sales of securities to other countries in the first month of 1941 aggregated \$9,114,726 compared with \$8,104,903 in the previous month and \$15,793,570 in January, 1940. Purchases from all countries totalled \$6,271,467 compared with \$7,047,508 in December 1940 and \$10,359,248 in January, 1940.

Sales to the United States in January this year totalled \$8,090,799 compared with \$8,012,352 in December 1940 and \$14,509,985 in January 1940. Purchases from that country amounted to \$5,742,699 compared with \$6,577,617 in the previous month and \$9,278,902 in the corresponding month of 1940. Sales to the United Kingdom totalled \$801,634 compared with \$12,431 in December and \$843,347 in 1940, while purchases totalled \$388,014 compared with \$417,563 in December and \$867,435 in January, 1940.

It will be seen that total sales of securities exceeded total purchases by something like \$2.8 million. While the volume of transactions was about the same as in immediately preceding months this balance was more than twice that in December. As these sales were fairly evenly divided between Canadian and United States securities net sales of Canadian securities were larger than for a number of months. In contrast with preceding months some of the balance of sales was in the trade with the United Kingdom.

In the trade with the United States the most marked change was the increased sale of Dominion bonds. Net sales of these amounted to \$0.7 million. Dominion guarantees, municipals and corporation issues were also sold on balance while there were small repurchases of provincials and unguaranteed railway issues. Trading in Canadian stocks while lighter than in December, produced a small balance of sales. Net sales of United States stocks continued to be substantial.

Births, Deaths and Marriages in February

Births registered in 67 Canadian cities and towns with a population of 10,000 and over numbered 7,857 in February, deaths 4,436 and marriages 3,896, as compared with 6,765 births, 4,285 deaths and 2,947 marriages in February last year, showing increases of 16 per cent in births, $3\frac{1}{2}$ per cent in deaths and 32 per cent in marriages.

Automobile Production in February

The February production of automobiles was the highest monthly output for several years, the total being 23,710 units compared with 23,195 in January and 18,193 in February, 1940. Of the production in the latest month, 13,063 were trucks and 10,647 were passenger cars, the latter including 5,711 4-door sedans, 2,911 2-door sedans and 1,748 coupes.

Bank Debits to Individual Accounts in February

Payments by cheque in thirty-two clearing centres were \$2,540 million in February, recording a decline of 14 per cent from the same month last year. The drop was attributable to the heavy payments on the first war loan made in the second month of last year. Declines were shown in each of the five economic areas.

Totals follow by areas with figures for February 1940 in brackets: Maritime Provinces \$59,694,619(\$75,281,122); Quebec \$714,453,493(\$947,965,095); Ontario \$1,217,770,707(\$1,315,913,604); Prairie Provinces \$374,910,072(\$426,076,994); British Columbia \$173,353,521(\$169,980,297).

Index Numbers of Wholesale Prices

Wholesale commodity prices rose still further in the week ending March 21, and the Bureau's index, on the base 1926-100, advanced from 85.7 for the week ending March 14 to 86.0. Grains, raw rubber, livestock, butter, eggs, cotton fabrics, hardwoods, tin ingots and paints were some of the commodities to move higher, but lower quotations ruled for hogs, fresh meats and soap.

Firmness marked the industrial material price index also, which advanced from 126.7 to 127.1, on the base August 1939-100. The Stable price group remained at 119.5, whereas the Sensitive price series, including Manufacturing and Food Materials, mounted from 131.9 to 132.5. Higher prices for raw rubber, rosin, raw silk and tin ingots were of sufficient importance to move the index for Manufacturing Materials from 129.7 to 130.6, while Food Materials increased from 137.4 to 137.5, when a decline in hogs failed to offset advances in wheat, oats and steers.

Reflecting strength in both Field and Animal Products, the index for Canadian Farm Products moved up from 69.1 to 69.4. Field Products rose from 55.8 to 56.0, because of advances in grains, hay, potatoes and onions, while Animal Products increased from 91.4 to 91.9 supported by higher quotations for livestock, hides and eggs. In the corresponding week of last year, the Field Products was 62.9, while Animal Products stood at 85.1.

Production of Steel and Iron in February

The production of steel ingots and castings in February rose to 172,698 tons from 140,343 tons made in February, 1940. Output in the latest month included 166,847 tons of ingots and 5,851 tons of castings. Pig iron output was also higher, the total being 91,165 tons in comparison with 87,032. The production of ferro-alloys, totalling 11,471 tons, included six different grades as follows: ferrosilicon, ferrochrome, silicomanganese, ferromanganese, calcium silicon and ferrophosphorus.

Production of Coal

Canadian coal mines produced 5,277,914 tons of coal during the last quarter of 1940 compared with 5,025,339 in the corresponding period of 1939. Importations of coal declined 23 per cent during the final quarter of the year to 3,897,541 tons from the 1939 figure of 5,055,133 tons. Canadian coal exported during the three months totalled 133,377 tons or 18 per cent above the tonnage exported a year ago. Canada's coal supply during the months under review was computed at 9,042,075 tons or 9 per cent below the quantity made available during the fourth quarter of 1939.

Financing of Motor Vehicle Sales

Financing of motor vehicle sales were heavier in February, the total being 10,952 units with a financed value of \$5,344,952 compared with 9,325 financed for \$4,545,020 in the previous month and 9,532 units involving \$4,187,620 in February, 1940. During the first two months of 1940, 20,277 new and used motor vehicles were financed for a total of \$9,889,972 compared with 17,601 for \$7,815,827 in the corresponding period of 1940.

Reports Issued During the Week

1. Weekly Index Numbers of Wholesale Prices (10 cents).
 2. The Woollen Textile Industries, 1939 (35 cents).
 3. Bank Debits to Individual Accounts, February (10 cents).
 4. Monthly Financing of Motor Vehicle Sales, February (10 cents).
 5. Automobile Production, February (10 cents).
 6. The Boilers, Tanks and Plate Work Industry, 1939 (25 cents).
 7. Car Loadings (10 cents).
 8. Report on the Factory Sales of Milk Powders, February (10 cents).
 9. Registrations of Births, Deaths and Marriages, February (10 cents).
 10. Sales and Purchases of Securities Between Canada and Other Countries, January (10 cents).
 11. The Cooking and Heating Apparatus Industry, 1939 (25 cents).
 12. Canadian Grain Statistics (10 cents).
 13. Production of Iron and Steel, February (10 cents).
 14. The Stock and Poultry Foods Industry, 1939 (15 cents).
 15. The Paper-Using Industries in Canada, 1934-1937 (50 cents).
 16. Steam Railways of Canada, 1939 (50 cents).
 17. Monthly Review of the Wheat Situation (10 cents).
 18. Security Prices and Foreign Exchange (10 cents).
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