

## WEEKLY BULLETIN

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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:-

Despite the considerable expansion in the western division, the seasonally adjusted index of carloadings recoded slightly in the week ended April 26th. The index number on the base of 1926, dropped to 98.9 from 99.4 in the preceding week. The traffic movement during the elapsed portion of the present year was considerably in excess of the same period of 1940. The acceleration was due in large measure to Canada's war effort. The grand total of contracts awarded and commitments made by the Department of Munitions and Supply and predecessor agencies amounted to \$1,523.8 million during the period from July 14 1939 to March 31, 1941.

Wholesale prices recoded slightly in the week of April 25, the general index dropping from 86.5 to 86.4. Recessions were shown in crop products and textiles, while chemicals recorded some advance. Sensitive prices showed declines in the week under review, the index dropping from 71.6 to 71.0. Between August 1939 and April 1941, the general level of wholesale prices has risen 19.5 per cent. Certain conditions present only in war time exert a strong upward influence on prices in general. Under war conditions advances in prices must be expected. That prices have not shown a more pronounced advance is due in part to the control exercised by government.

Common stock prices were nearly maintained in the week of April 24th, the index receding from 71.4 to 71.3. The index of fifteen power and traction stocks was 61.5 against 61.4 in the preceding week. Speculative trading was at a particularly low level. High-grade bond prices were practically maintained. An increase was shown in the adjusted index of bank clearings, the standing having been 109.6 against 108.3. The sum of the notice and demand deposits was \$2,753 million at the end of March against \$2,738 million at the beginning of the month. Notice deposits rose to a new high point in banking history at \$1,703 million. Current loans in March amounted to \$1,015 against \$1,006 one month before.

A weekly index based on the above-mentioned factors was 111.3 in the week of April 26, against 111.2 in the preceding week. The standing in the same week of 1940 was 106.5, a gain of 7.4 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 2 | Prices of Common Stocks | Shares traded | Weekly Index 3 |
|----------------|---------------|-------------------|---------------------------|-------------------|-------------------------|---------------|----------------|
| April 26, 1941 | 98.9          | 86.4              | 144.7                     | 109.6             | 71.3                    | 22.0          | 111.3          |
| April 19, 1941 | 99.4          | 86.5              | 144.7                     | 108.3             | 71.4                    | 25.0          | 111.2          |
| April 27, 1940 | 82.4          | 83.2              | 139.5                     | 102.7             | 95.6                    | 79.5          | 106.5          |

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.



## Sales and Purchases of Securities Between Canada and Other Countries in February

The international trade and securities between Canada and other countries in February aggregated \$11,032,989 compared with \$15,386,193 in the previous month and \$23,584,667 in the corresponding month last year. Sales to all countries in February were valued at \$6,201,248 as against \$9,114,726 in January and \$13,594,083 in February, 1940. Purchased from other countries totalled \$4,831,711 compared with \$6,271,467 in January and \$9,990,584 in February, 1940.

## National Income Rises 12.4 per cent over March, 1940

The national income was tentatively computed at \$413.3 million in March compared with \$367.7 in the same month of last year. The increase of 12.4 per cent was due mainly to the speeding up of the war effort. Even greater percentage increases were shown in the commodity producing and handling divisions, while the facilitating division consisting of finance, government and service recorded an advance of 8.5 per cent.

The national income in the first quarter of 1941 was no less than \$1,248.3 million compared with \$1,133 million in the same period of last year. The increase over the first part of 1940 was nearly \$116 million or about 10 per cent. The national income is defined as the net value of goods produced and services rendered. An alternative definition is the sum of the positive or negative savings of enterprises including government, and payments to individuals including salaries and wages, other labour income, withdrawals of working proprietors, dividends, interest and rent. The compilation of the Bureau covers the period from 1919 to 1938 by years, and from the beginning of 1935 to the present, by months.

The index of the physical volume of business was 123.2 in March against 126.1 in the preceding month, due allowance being made for seasonal tendencies. Recessions were shown in mineral production and construction, while manufacturing, electric power and distribution recorded advances. The index of mineral production receded from 125 to 122.8. Advances were shown in the movement of the precious metals, while the index of coal production was 129.2 against 118.1.

The index of manufacturing production rose 3.3 points to 137.3. The index of textile production was considerably higher at 155.2 against 138.9 in the preceding month. The index of the forestry industry rose more than four points to 125.6. The primary iron and steel industry was somewhat more active than in the preceding month. The index of the output of electric power was 115.8, a minor gain having been shown over February. The railway freight movement was at a higher level while external trade was not greatly altered after the usual adjustment.

## Economic Activity in March, 1941 Compared with the Preceding Month

|   | March 1941 | February 1941 |
|---|------------|---------------|
| National Income, Million Dollars, Tentative | -          | -             |
| Monthly Computation                         | 413.3      | 413.3         |
| Commodity producing                         | 201.2      | 202.8         |
| Commodity handling                          | 87.4       | 86.1          |
| Facilitating                                | 124.7      | 124.4         |
| Physical Volume of Business, 1935-39=100    | 123.2      | 126.1         |
| Industrial Production                       | 133.5      | 138.3         |
| Mineral Production                          | 122.8      | 125.0         |
| Gold, Mint receipts                         | 127.2      | 125.7         |
| Silver shipments                            | 109.0      | 101.6         |
| Asbestos exports                            | 147.9      | 172.7         |
| Coal production                             | 129.2      | 118.1         |
| Manufacturing                               | 137.3      | 134.0         |
| Flour production                            | -          | 151.9         |
| Oatmeal production                          | -          | 30.8          |
| Sugar manufactured                          | 112.0      | 87.3          |
| Inspected slaughterings                     | 124.5      | 123.8         |
| Cattle                                      | 95.2       | 97.7          |
| Sheep                                       | 89.3       | 96.1          |
| Hogs  | 173.0      | 166.5         |
| Creamery butter                             | 115.5      | 117.2         |
| Factory cheese                              | 152.9      | 139.3         |
| Salmon exports                              | 31.7       | 85.6          |
| Tobacco                                     | 150.7      | 132.2         |
| Cigar releases                              | 151.9      | 182.5         |
| Cigarette releases                          | 151.5      | 127.9         |
| Rubber imports                              | 146.1      | 176.4         |

Economic Activity in March, 1941 Compared with the Preceding Month - Cont'd.

|   | March 1941  | February 1941 |
|---|-------------|---------------|
| Boots and shoes production .....                    | 2--         | 125.0         |
| Textiles .....                                      | 155.2       | 138.9         |
| Cotton consumption .....                            | 174.7       | 169.6         |
| Wool imports .....                                  | 169.2       | 122.8         |
| Silk imports .....                                  | 50.3        | 67.0          |
| Rayon materials used .....                          | 147.6       | 144.9         |
| Forestry .....                                      | 125.6       | 121.3         |
| Newsprint .....                                     | 114.8       | 112.4         |
| Woodpulp exports .....                              | 169.4       | 159.8         |
| Planks and boards exports .....                     | 134.4       | 120.9         |
| Shingles exported .....                             | 142.3       | 188.1         |
| Iron and Steel .....                                | 167.5       | 173.0         |
| Steel production .....                              | 171.7       | 169.0         |
| Pig iron production .....                           | 163.3       | 152.3         |
| Iron and Steel imports .....                        | 220.9       | 226.1         |
| Automobile production .....                         | 129.8       | 146.0         |
| Coke production .....                               | 125.4       | 121.9         |
| Crude Petroleum Imports .....                       | 79.9        | 103.3         |
| Construction .....                                  | 139.0       | 223.8         |
| Contracts awarded .....                             | 134.5       | 246.6         |
| Building permits .....                              | 154.9       | 144.3         |
| Cost of Construction .....                          | 111.3       | 111.0         |
| Electric Power .....                                | 115.8       | 115.7         |
| Distribution .....                                  | 105.6       | 105.1         |
| Trade Employment .....                              | unavailable | 115.8         |
| Carloadings .....                                   | 122.9       | 118.8         |
| Imports .....                                       | 153.6       | 152.7         |
| Exports (excluding gold) .....                      | 147.4       | 148.2         |
| Producers' Goods .....                              | 136.5       | 145.4         |
| Consumers' Goods .....                              | 110.8       | 108.0         |
| Marketing -   |             |               |
| Grain and Live Stock Marketings .....               | 50.8        | 50.7          |
| Grain Marketings .....                              | 33.5        | 44.3          |
| Wheat .....   | 26.1        | 34.9          |
| Oats .....  | 147.1       | 207.7         |
| Barley .....  | 40.3        | 28.9          |
| Flax .....  | 431.1       | 580.0         |
| Rye .....   | 98.6        | 174.5         |
| Live Stock Marketings .....                         | 93.4        | 97.8          |
| Cattle .....  | 92.7        | 96.4          |
| Calves .....  | 93.4        | 93.1          |
| Hogs .....  | 98.7        | 107.4         |
| Sheep .....   | 79.4        | 82.1          |
| Cold Storage Holdings, 1st of following month ..... | 145.4       | 133.6         |
| Eggs .....  | 289.2       | 270.4         |
| Butter .....  | 144.8       | 109.3         |
| Cheese .....  | 84.4        | 91.5          |
| Beef .....  | 98.4        | 99.0          |
| Pork .....  | 184.1       | 187.9         |
| Mutton .....  | 81.3        | 80.4          |
| Poultry .....                                       | 94.8        | 94.9          |
| Lard .....  | 249.6       | 260.2         |
| Veal .....  | 118.3       | 111.7         |

Stocks of Foreign Corn

Stocks of foreign corn in Canada on April 25 totalled 926,014 bu. compared with 2,231,145 on the corresponding date last year. Countries of origin were as follows, with corresponding figures for 1940 in brackets: United States 500,437(1,432,659) bushels; Argentina 275,158(59); South Africa 150,419(798,427).



## World Wheat Situation

Apart from the changes in cropping plans across the Prairie Provinces which are being decided upon in light of the 1941-42 wheat policy announced by the Federal government the most important developments in the Canadian situation during the past month have been the continued acceleration in the rate of wheat exports and the indication of a substantially increased use of wheat on farms for live-stock feeding. The monthly total exports of wheat and wheat flour have been increasing in each of the past three months, with total exports for March amounting to 21.4 million bushels. This figure will in turn be undoubtedly exceeded, since the weekly wheat clearances to date during April have been running appreciably above those of March. The sustained improvement in exports during the past three months over the slow rate of exports during the first five months of the crop year has placed a correspondingly more hopeful prospect on the total exports for the crop year. These may now be placed in the neighbourhood of 180 million bushels, barring any important subsequent diversion of shipping facilities. A substantial increase in the rate of wheat feeding in the Prairie Provinces has increased the total amount of wheat used for feed throughout Canada in the current crop year to 53 million bushels, a gain of 16,212,000 bushels over the amount fed in the previous year. This increase in the domestic use of wheat will be partially offset by the reduced requirements for wheat seed this spring, although this latter item will not be determined until the acreage intentions are indicated on May 9. Depending upon the extent to which the wheat acreage is reduced this year, lies the first hope of preventing the Canadian wheat position from becoming further aggravated in the coming crop year.

Since an increased percentage of summer-fallow land will be represented in the total seed bed for the 1941 crop, this must be reckoned upon as contributing toward the maintenance of a high yield per acre in 1941. The whole of Manitoba and southern and central Saskatchewan have received good moisture supplies so far during April, and autumn moisture conditions were good in these areas as well. The average rainfall in Alberta, however, has totalled only about one-third of an inch over the first three weeks in April, and dry weather was experienced last autumn in the central and northern parts of the province.

United States winter wheat prospects were indicated at 616 million bushels as of April 1 by both the private and official estimates. The United States Department of Agriculture predicted total wheat supplies for the 1941-42 crop year of 1,176 million bushels, leaving a surplus of 451 million bushels over domestic requirements. In view of these large prospective supplies, a referendum to approve marketing quotas for the 1941-42 season is being taken on May 31. It is also probable that the national acreage allotment for the 1942 crop will be reduced. The Australian Wheat Board reports a comparatively negligible surplus from the 1940 crop, and measures are being taken to keep the 1941 production within the bounds of 140 million bushels. This leaves Argentina the only country among the "big-four" wheat exporters, which is not undertaking active measures of one kind or another to prevent the accumulation of additional surpluses. Private authorities in that country are predicting little reduction, if any, in the wheat area now being planted and soil moisture conditions are quite favourable.

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## Export Clearances of Wheat

Overseas export clearances of wheat during the week ending April 25 amounted to 5,906,372 bushels compared with 3,189,016 in the corresponding week last year. The accumulated total for period from August 1, 1940 to April 25, 1941 aggregated 106,085,740 bushels as against 112,108,289 a year ago.

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## Primary Movement of Wheat

Wheat receipts in the Prairie Provinces for the week ending April 25, amounted to 7,643,140 bushels as compared with 4,189,798 in the previous week and 1,320,245 in the corresponding week last year. Totals follow by provinces with figures for 1940 in brackets: Manitoba, 850,463(152,623) bushels; Saskatchewan, 3,993,793(791,001); Alberta, 2,798,884(374,141).

Marketings in the three Provinces for the thirty-eight weeks ending April 25 aggregated 358,567,798 bushels compared with 386,106,172 in the corresponding period of the previous crop year. Marketings follow by provinces: Manitoba, 46,304,659(51,017,804) bushels; Saskatchewan, 186,786,900(215,100,506); Alberta, 125,476,239(119,985,382).



### Visible Supply of Wheat

The visible supply of Canadian wheat on April 25 amounted to 471,901,534 bushels compared with 473,528,468 on April 18 and 301,352,307 on the corresponding date in 1940. The amount of Canadian wheat in elevators in Canada on the latest date was 438,116,834 bushels while the amount in store in the United States was 33,784,700 bushels.

### Stocks of Foreign Corn

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### Milling in March

Grains ground in Canadian mills during March were as follows, with figures for March, 1940 in brackets: wheat, 6,627,418(5,632,085) bushels; oats, 834,069(1,264,243); corn, 212,515(197,405); barley, 222,844(115,875); buckwheat, 6,537(2,125); and mixed grain, 2,646,294(2,455,550).

### External Trade in February

Canada's external trade in March, excluding gold, was valued at \$210,977,483 compared with \$190,163,962 in February and \$160,199,036 in March, 1940. The total for the first quarter of 1941 was \$588,476,566 compared with \$465,512,642 in the like period of 1940.

Domestic exports in March totalled \$101,918,653 compared with \$99,596,443 in February and \$82,719,395 in March, 1940. The first-quarter total was \$288,436,564 compared with \$243,898,474 a year ago. Foreign exports in March were worth \$1,076,608 against \$935,891 in February and \$745,745 in March 1940; while the total for the first three months of 1941 was \$4,043,690 compared with \$2,734,574.

Imports during March were appraised at \$107,982,222 compared with \$89,631,628 in February and \$76,733,896 in March, 1940. First-quarter imports were valued at \$295,996,312 compared with \$218,879,594 in the same period of 1940.

### Production of Honey in 1940

The second estimate of Canada's 1940 honey crop is placed at 23,673,100 pounds, being 5.2 million pounds smaller than the 1939 crop. Decreases in numbers of beekeepers and apiaries combined with an average production of only 59 pounds per hive resulted in a small crop of only fair quality. The bulk of the crop has been marketed at an average price to producers of 10.2 cents per pound which is 1.5 cents higher than the average price received for the 1939 crop. The total value of the 1940 crop of honey and wax amounted to \$2,517,900, as compared with \$2,615,700 in 1939.

Exports during the calendar year 1940 totalled 10,780,488 pounds as compared with 4,706,914 in 1939. The quota of approximately 4.5 million pounds set by the United Kingdom Government for imports of Canadian honey for the year beginning June 10, 1940, has already been filled.

### Production of Iron and Steel

Production of pig iron in Canada in March totalled 102,038 tons, an average of 3,292 tons a day compared with outputs of 3,256 tons daily in the previous month and 2,960 tons per day in March, 1940. For the first three months of 1941 production totalled 296,288 tons as compared with 283,507 in the corresponding period of 1940.

Production of steel ingots and direct steel castings amounted to 195,481 tons in March, an average of 6,306 tons per day compared with 6,168 tons per day in February and 5,075 tons per day in March, 1940. Output during the first quarter of 1941 aggregated 554,482 tons compared with 464,165 in the same period of 1940. March output of ferro-alloys amounted to 15,201 tons compared with 11,471 in February and 8,298 in March, 1940. This month's total was composed of seven grades listed according to the tonnage made, as follows: ferrosilicon, silicomanganese, ferrochrome, ferromanganese, spiegeleisen, calcium silicon and ferrophosphorus.

### Bank Debits in March

The amount of cheques cashed at the clearing centres rose sharply in March over the same month of 1940. The total of \$2,838 million compared with \$2,413 million, recorded a gain of 17.6 per cent. Productive operations due mainly to Canada's extensive war effort recorded marked increase over the same period last year. The index of employment in manufacturing was 154 in March as against 124.4 in the same month one year ago. Marked gain was also recorded in the index of the physical volume of business covering production and distribution. The index of wholesale prices recorded a minor increase over the level of one year ago. The advances in weekly commodity prices have recently become of greater proportions. The sum of bank deposits at the beginning of March was \$2,989 million against \$2,772 million on the same date last year. Despite this increase the turnover of deposits rose considerably over the levels of twelve months ago.

Each of the five economic areas recorded appreciable gains over the same month of 1940. The gain in the Maritime Provinces was 18.7 per cent, debits rising from \$60.5 million to \$71.8 million. The percentage gain in Quebec province was of lesser proportions, but the aggregate rose from \$764 million to \$807 million. A marked increase was shown in Montreal despite the low level of speculative trading. The advance in Ontario was of marked proportions, the total having been \$1,358 million compared with \$1,053 million, a gain of no less than 29 per cent. The gain in Toronto, the largest banking centre, was 15.2 per cent. Each of the thirteen centres in Ontario recorded gains over March last year.

The gain in the Prairie-Provinces was 14 per cent, increases having been general in the ten centres of the area. Debits in Winnipeg moved up from \$228 million to \$251 million, a gain of 10 per cent. Increases were also general in the three centres of British Columbia, the total having been \$176.7 against \$162.5 million one year ago. The gain in Vancouver was 8.3 per cent, the total in March having been \$136.7 million.

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### Indexes of Retail Sales in March

The increase in retail trade in Canada recorded during the first two months of this year was continued in March, dollar sales for 12 lines of business for which figures are available averaging 13 per cent above March a year ago. The March increase was similar to that for the first quarter of this year over the corresponding period of 1940 which also stands at 13 per cent.

The general index of sales, on the base 1935-1939=100, unadjusted for seasonal variations, stands at 119.2 for March, 101.7 for February and 105.9 for March a year ago. On adjusting for differences in number of business days, for normal seasonal movements and for the changing date of Easter the corrected index stands at 129.3 for March, 130.8 for February and 112.3 for March, 1940.

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### Commercial Failures in February

Commercial failures in February showed a decrease at 100 as compared with 107 in February, 1940, there were 130 in the same month of 1939. The defaulted liabilities amounted to \$853,066 compared with \$883,575 in February, 1940, and \$806,394 for January, of this year.

Trading establishments furnished the largest number of failures, 56 assigning in February, compared with 48 in January and 53 in February a year ago. Manufacturing establishments failing in February numbered 16.

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### Output of Central Electric Stations

Output of central electric stations in March amounted to 2,631,809,000 kilowatt hours compared with 2,407,068,000 in February and 2,426,157,000 in March, 1940. Production during the first three months of 1941 aggregated 7,673,572,000 kilowatt hours as compared with 7,319,331,000 in the like period of 1940.

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## Freight Traffic in January

Revenue freight loaded at Canadian stations and received from foreign connections during January 1941 increased to 8,088,127 tons from 7,156,622 in January, 1940. Loadings increased from 5,243,551 tons in January 1940 to 5,936,183 tons or by 13.2 per cent; imports increased from 838,744 tons to 1,029,585 or by 22.8 per cent, and in-transit freight between foreign points from 1,074,327 tons to 1,122,359 tons or by 4.7 per cent.

## Reports Issued During the Week

- 17 Monthly Index Numbers of Retail Sales, March (10 cents).
- 27 Trade of Canada, March (10 cents).
- 37 Imports by Principal Countries, March (10 cents).
- 47 Commercial Failures in Canada for February (10 cents).
- 57 Bank Debits to Individual Accounts, March (10 cents).
- 67 Security Prices and Foreign Exchange (10 cents).
- 77 Weekly Index Numbers of Wholesale Price, (10 cents).
- 87 Sales and Purchases of Securities between Canada and Other Countries, February, (10 cents).
- 97 Production of Asphalt Roofing, March (10 cents).
- 107 Sales of Asphalt Roofing (10 cents).
- 117 The Printing Trade, 1939 (35 cents).
- 127 Car Loadings (10 cents).
- 137 Monthly Review of the Wheat Situation (10 cents).
- 147 Statistics of Criminal and Other Offences, 1939 (50 cents).
- 157 Prices and Price Indexes, 1913-1939 (25 cents).
- 167 Canadian Grain Statistics (10 cents).
- 177 Canadian Milling Statistics, March (10 cents).
- 187 Monthly Traffic Report of Railways, January (10 cents).
- 197 The Fur Goods and Fur Dressing Industry, 1939 (25 cents).
- 207 Output of Central Electric Stations, March (10 cents).
- 217 Production of Iron and Steel, March (10 cents).
- 227 Production and Marketing of the 1940 Honey Crop (10 cents).

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