

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:-

The weekly index of carloadings showed a slight further recession of 1.2 per cent to 96.7. This figure, however, is 16.2 per cent higher than that recorded for the corresponding week one year ago. Carloadings for the present year up to May 17 totalled 752,000, as compared with 644,000 in 1940 prior to May 18.

Wholesale prices rose slightly to 87.2 as compared with 86.9 during the previous week. The gain over the same week of 1940 was 6.5 per cent, an index of 81.9 having been recorded at that time. Sensitive manufacturing prices recorded an increase of from 71.3 to 73.0, with food prices also rising. Textile products and chemicals were on the up-grade, with prices of farm products also increasing slightly.

Capitalized bond yields rose from 145.1 to 145.6, and were 4.4 per cent above the figure of 139.5 recorded one year ago. Common stocks showed a minor increase of .6 per cent, from 69.9 to 70.3, being still 15.9 per cent below the index of 83.6 noted for the corresponding week last year. Milling, food products, transportation showed substantial increases.

The bank clearings index dropped nearly 6 per cent to 95.3, this total being 8.3 per cent below the 103.9 recorded for the same week of 1940. This decline, however, was entirely due to the system of smoothing by which this index is calculated. The speculative trading index rose slightly to 24.8 over the past week, but remained 63.3 per cent below the corresponding 1940 total.

The weekly index based on the above mentioned factors fell off 9 per cent from the preceding week to 108.9, but remained 3.3 per cent higher than the index for the week of May 18, 1940.

A Weekly Index with Six Components on the 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
May 17, 1941	96.7	87.2	145.6	95.3	70.3	24.8	108.9
May 10, 1941	97.9	86.9	145.1	101.3	69.9	23.2	109.8
May 18, 1940	83.2	81.9	139.5	103.9	83.6	67.6	105.4

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.

Business Advance in April

Marked expansion was recorded in business operations during April over the preceding month. According to an estimate based on 22 factors, the index of the physical volume of business on the base of 1935-39 rose sharply over the standing of 123.2 in March. The manufacture of sugar was about 50 million pounds against 60.8 in March, the index receding from 112 to 96.7. Important gains were recorded in dairy production even after seasonal adjustment. Cheese production rose from 1.4 million pounds to 3.7 million, the index consequently advancing from 153 to 217. Butter production rose from 12.4 million pounds to 19.0 million. Despite the seasonal adjustment, the index moved up from 115.5 to 122.6. Canned salmon exports were at a greatly higher level. The consumption of raw cotton, indicating conditions in the textile industry, rose from 16.8 million pounds to 17.1 million. An index of cotton consumption rose from 174.7 to 181.1.

The operations of the forestry industry were at a lower level than in March. The output of newsprint was slightly larger than in the preceding month but the index dropped after seasonal adjustment. Wood pulp exports were at a greatly higher level, the index advancing from 169 to 195. The exports of planks and boards and of shingles showed recession.

Automobile production was 27,584 units against 26,044, the increase being less than seasonal anticipation. The new business obtained by the construction industry rose to a higher level in April, the index having been 170 against 134.5. Railway freight movement showed further acceleration, the total having been 251,553 cars against 249,698. A marked increase was shown in merchandise exports, which amounted to \$125.9 million against about \$103 million in the preceding month. The consequent increase in the index after correction for seasonal tendencies and for price changes was from 147.4 to 180.2. Sales of livestock on the Canadian markets rose sharply in April, the index advancing 12 points to 105.4. Gains were shown in each of the four different classes of livestock.

Economic Conditions in April 1941 Compared with the Preceding Month and the Same Month in 1940

		April 1941	April 1940	March 1941
Physical Volume of Business	1935-39=100	*	120.0	123.2
Factory cheese production	lb.	3,720,386	4,845,111	1,407,806
Creamery butter production	lb.	19,032,969	16,602,161	12,350,708
Hog Sales	no.	97,392	89,718	74,689
Cattle and Calves Sales	no.	114,105	123,503	83,701
Cotton consumption	lb.	17,114,949	15,805,855	16,803,419
Newsprint production	tons	279,996	268,947	275,769
Shingles exported	squares	267,550	287,368	273,907
Planks and boards exported	M ft.	142,653	148,959	169,810
Carloadings	no.	251,553	218,902	249,698
Sugar manufactured	lb.	49,950,676	59,710,134	60,847,403
Contracts Awarded	\$	23,567,200	25,905,000	13,991,900
Canned Salmon exports	cwt.	30,386	34,199	18,410
Automobile production	no.	27,584	19,687	26,044
Total exports	\$	125,887,000	85,000,000	102,995,000

* According to preliminary calculations the index of the physical volume of business showed an increase in April over the preceding month.

Wheat Stocks in Store

The visible supply of Canadian wheat on May 16 was 466,074,306 bushels compared with 470,427,576 on May 9 and 288,249,190 on the corresponding date last year. The amount in elevators in Canada on the latest date totalled 431,292,998 bushels compared with 436,584,971 on May 9 and 265,346,770 a year ago. Canadian wheat in the United States aggregated 34,781,308 bushels as against 31,710,471 a week ago and 22,902,420 in 1940.

Overseas Export Clearances of Wheat

Overseas export clearances of wheat during the week ending May 16 amounted to 8,821,954 bushels compared with 4,726,567 for the corresponding week last year. The accumulated total for the period from August 1, 1940 to May 16, 1941 was 127,966,730 bushels as against 125,408,470 during the same period a year ago.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces for the week ending May 16 totalled 6,807,697 bushels compared with 7,071,169 in the previous week and 1,663,839 a year ago. By Provinces the receipts were as follows, with figures for 1940 in brackets: Manitoba, 774,752 (167,397) bushels; Saskatchewan, 3,708,976 (914,738); Alberta, 2,323,969 (581,704).

Marketings in the three Provinces for the forty-one weeks ending May 16 aggregated 381,235,092 bushels compared with 390,897,268 in the same period of 1940. Totals follow by provinces, with 1940 figures in brackets: Manitoba, 49,012,537 (51,445,466) bushels; Saskatchewan, 198,576,210 (218,181,873); Alberta, 133,646,345 (121,269,929).

Tobacco Releases during April

Cigar releases during April rose to over 15,900,000, the highest total for the month in any year since 1920. This was almost 3,000,000 in excess of the March level. Leaf tobacco fell off somewhat from the high point of March, the release having been 220,794 pounds.

More than 616,000,000 cigarettes were released in April, a considerable decrease from the previous month's release of 693,000,000, which was an all-time high for that month. It was also rather lower than the April total for last year, although far above any previous April.

Cash Income from Sale of Farm Products in Prairie Provinces

Cash income from the sale of farm products in the Prairie Provinces during the first quarter of 1941 totalled 64.2 million dollars, as compared with 43.1 million in the corresponding period of 1940 and an average of 37.1 million for the five years, 1936 to 1940. Of the increase of 21.1 million dollars in income in the first quarter of 1941, 15.3 million dollars was attributable to greater sales of crops, chiefly resulting from the deferred marketing of the 1940 wheat crop, while 5.8 million dollars more was received from the sale of live stock and animal products. Increases in the volume of hogs sold, and higher prices for beef cattle, dairy products and eggs were largely responsible for the rise in cash income from livestock.

Income in each month of 1941 has shown an appreciable increase over the corresponding months of 1940 with the greatest increase amounting to 8.0 million dollars occurring in January of this year. In the province of Manitoba, cash income for the first quarter of 1941 amounted to 11.3 million dollars as against 8.3 million dollars in the first quarter of 1940, an increase of 36 per cent. Cash income in Saskatchewan at 23.3 million dollars was 8.1 million dollars higher than in the first quarter of 1940. Of this increase, 5.5 million was the result of an increase in income from the sale of crops. In Alberta, cash income rose from 19.6 million dollars in the first quarter of 1940 to 29.6 million dollars in the first quarter of 1941, with the income from crops being more than doubled and accounting for 7.5 million dollars of the increase.

It is expected that income during the second quarter of this year will also be substantially greater than the second quarter of 1940. Deliveries of wheat are expected to remain above the levels of last spring and the increased marketings of hogs will continue. Higher prices for beef cattle, butterfat and eggs will also appreciably add to the income from live stock and animal products.

Concentrated Milk Production in April

The output of concentrated whole milk and by products was 22,107,178 pounds an increase over April 1940 of 31 per cent. Evaporated whole milk increased by 35 per cent. Production during the four months ending April was 62,626,256 pounds compared with 48,522,228 in the corresponding period of 1940. The export was very large in April, aggregated 3,657,200 pounds as against 1,885,200 in April, 1940.

Canada's Domestic Exports in April

Canada's domestic exports in April, excluding gold, increased to \$116,933,000 from \$83,565,000 in the corresponding month last year, while the total for the first four months of 1941 advanced to \$405,369,000 from \$327,463,000 in the same period of 1940.

Exports to the United Kingdom in April totalled \$55,017,000 compared with \$37,499,000 a year ago, bringing the total for the first four months of this year up to \$182,025,000 compared with \$147,155,000 in the like period of 1940. April exports to the United States were valued at \$42,401,000 compared with \$29,733,000 last year, while the total for the four months ending April was \$143,949,000 compared with \$109,023,000.

Exports to other leading countries in April follow, with 1940 figures in brackets: British South Africa \$2,132,000(\$1,133,000); British India with Burma \$1,871,000(\$406,000); British West Indies \$1,839,000(\$1,068,000); Newfoundland \$1,020,000(\$648,000); Australia \$3,083,000(\$2,108,000); New Zealand \$816,000(\$1,342,000); Egypt \$2,346,000(\$120,000); Brazil \$698,000(\$330,000).

Leading commodities exported in April were as follows, 1940 figures being in brackets: wheat \$17,393,000(\$4,771,000); wheat flour \$3,047,000(\$2,167,000); fishery products \$2,507,000(\$2,072,000); meats \$7,926,000(\$5,504,000); fibres and textiles \$1,968,000(\$1,607,000); planks and boards \$4,465,000(\$3,862,000); wood pulp \$6,820,000(\$4,353,000); newsprint papers \$13,019,000(\$12,318,000); automobiles and parts \$8,766,000(\$590,000); chemicals \$3,032,000(\$2,777,000).

Production of Iron and Steel in April

The April production of pig iron in Canada advanced to 103,326 tons from 102,038 in March and 84,210 in April, 1940. Output in the latest month included 84,033 tons of basic iron, 11,277 tons of foundry iron and 8,016 tons of malleable iron. Production during the four months ending April aggregated 399,614 tons compared with 367,717 in the corresponding period of 1940.

Production of steel ingots and castings in April moved up to 200,680 tons from the March figure of 195,481 tons and the April 1940 tonnage of 153,451. For the four months ending April, 755,162 tons were produced as compared with 617,616 in the like period of 1940.

Output of ferro-alloys in April totalled 16,161 tons compared with 15,201 in March and 13,989 in April, 1940.

Price of iron and steel products held firm in April and the index number remained at 107.6, its highest level since March, 1925. Further steps were taken to stabilize scrap prices by establishing maximum quotations for scrap iron. These became effective early in April. New regulations to restrict the use of steel in construction work other than for war purposes were also introduced by the Canadian Steel Controller during the month.

Production of Automobile Parts

The Canadian production of automobile parts and accessories, including tires, batteries, radios, etc., amounted to \$77,635,618 in 1939 compared with \$80,569,346 in 1938. Imports of parts were valued at \$25,308,323, not including automobile engines to the value of \$2,201,288. Exports of parts in the same year amounted in value to \$2,991,697 and re-exports, \$357,976.

Gold Receipts in April

Gold received at the Mint from Canadian mines amounted to 385,488 fine ounces in April compared with 426,842 in the preceding month. Receipts are normally less in April than in March. After seasonal adjustment the index consequently moved up from 127.2 to 130.0. Receipts in the same month of last year were 481,995 fine ounces, the index at that time having been at the particularly high point of 162.5. The value of the gold aside from jewellery and scrap received at the Mint during April was \$7,968,746. The receipts from Ontario mines amounted to 244,717 fine ounces, valued at \$5,058,741. The shipments from Quebec and British Columbia followed in the order named.

Fur Production in Canada

The value of raw furs produced in Canada during the twelve months ending June 30, 1940, was \$16,455,635, an increase over the preceding season of \$2,168,698 or 15 per cent. It is estimated that approximately 35 per cent of the total value of furs produced in the 1939-40 season may be credited to farm pelts.

Silver fox valued at \$4,385,663 is first in order of value with muskrat at \$3,772,284 in second place followed by mink valued at \$3,084,095. Other leading varieties follow: beaver valued at \$1,391,297; squirrel, \$778,909; marten, \$654,476; red fox, \$300,527; ermine, \$551,709; coyote, \$179,596; fisher, \$152,166; cross fox, \$194,133; white fox, \$214,101; lynx, \$260,007; otter, \$159,237; skunk, \$206,710.

Canal Traffic in April

The Welland Ship Canal opened for traffic on April 9, which was seven days earlier than in 1940. The St. Lawrence Canal followed on April 10 and the Sault Ste. Marie Canal on April 17. The opening of the St. Lawrence Canals was three days earlier than last year and the Sault Ste. Marie Canals six days earlier. Other canals also opened earlier.

In consequence the total traffic using the Welland Ship Canal increased from 448,678 tons in 1940 to 663,650 in 1941. Wheat, flour, gasoline, petroleum, iron and steel and iron ore were all up. The Canadian and United States locks of the Sault Ste. Marie Canals had by far the heaviest April movement on record. The total tonnage through the locks was 7,865,478 compared with 1,278,160 tons in April 1940. Total traffic on the St. Lawrence was 308,137 as against 267,757 tons a year ago.

Variety Store Chains in 1940

Aggregate sales of variety store chains in Canada during 1940 were \$60,718,600, a gain of 18 per cent over the preceding year. Average sales per store rose from \$108,000 in 1939 to \$124,000 in 1940, an increase of almost 15 per cent.

Percentage increases in sales by provinces arranged in order of magnitude follow: Nova Scotia, 34.0; New Brunswick, 26.8; Manitoba, 20.2; Alberta, 19.6; Quebec, 17.0; Saskatchewan, 13.9; British Columbia, 10.9 and Prince Edward Island, 4.6.

Reports Issued During the Week

1. The Dairy Situation, First Quarter, 1941 (25 cents).
 2. Variety Store Chains, 1940 (10 cents).
 3. Canal Traffic in April (10 cents).
 4. Production of Concentrated Milk, April (10 cents).
 5. Security Prices and Foreign Exchange (10 cents).
 6. Weekly Index Numbers of Wholesale Prices (10 cents).
 7. Central Electric Stations, 1939 (25 cents).
 8. Preliminary Report on the Fur Production of Canada, 1939-40 (10 cents).
 9. Summary of Canada's Exports, April (10 cents).
 10. Canada's Domestic Exports by Principal Countries, April (10 cents).
 11. Canadian Grain Statistics (10 cents).
 12. The Automobile Parts Industry, 1939 (25 cents).
 13. Production of Iron and Steel, April (10 cents).
 14. Report on the Factory Sales of Milk Powders, April (10 cents).
 15. The Grain Situation in Argentina (10 cents).
 16. Miscellaneous Chemical Products Industry, 1939 (15 cents).
 17. Cash Income from the Sale of Farm Products in the Prairie Provinces, January to March, 1936-1941 (10 cents).
 18. Car Loadings (10 cents).
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