

Dominion Bureau of Statistics

Department of Trade and Commerce

Vol. II - No. 23

Ottawa, Saturday, June 7, 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.
 The six indexes and the composite are shown here on the basis of 1926, despite the fact that the index of carloadings is reported elsewhere on the new base of 1935-1939.

Notes on the indexes follow:-

The railway traffic movement recorded advance in the last week of May, the adjusted index having been 103 against 97.7 in the preceding week. The total traffic movement to the end of May was 1,237,000 cars, a marked increase having been shown over the same period of last year. The index of the physical volume of business was 127.9 in April, against 124.0, the revised standing for the preceding month. The index in April last year was 120, the indicated increase having been about 8 points. Construction contracts awarded in May were \$40.9 million, a gain of 45.5 p.c. over the same month of last year. The business placed during the first five months of the year was \$129 million, about 60 p.c. greater than for the same period of 1940.

The advance in wholesale prices continued in the last week of May, the index having been 88.7 against 88.5. Increases were shown in five of the 8 main groups. The sensitive commodities showed a recession, the index receding from 73.7 to 73.4. The decline was in manufactures materials, the index of foodstuffs advancing from 73.2 to 73.5.

Minor recession was shown in the index of capitalized bond yields. The increase in bank debits was slightly more than 11 p.c. Common stock prices were slightly below the preceding week and 4.3 p.c. below the same week of 1940. Speculative trading was slightly above that of the week of May 24, but a marked decline was shown from the same week of 1940.

The weekly index measuring the fluctuations of the six above-mentioned factors was 111.1, against 108.5 in the preceding week, a gain of 2.4 p.c. The advance was mainly occasioned by increases in the indexes of carloadings and bank clearings. The standing in the same week of 1940 was 105.3, a gain of 5.5 per cent having been indicated.

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 31, 1941	103.0	87.9	143.3	104.6	69.5	16.6	111.1
May 24, 1941	97.7	87.7	143.9	94.4	69.9	15.6	108.5
June 1, 1940	90.5	81.7	138.0	99.6	72.6	168.4	105.3

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, 1939. 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 Expansion in April

The continued expansion in economic operations was indicated by the trend of important factors during April. The national income, the best measure of economic activity in a country, rose 15.8 per cent in the month under review over April, 1940. The amount was \$434.7 million against \$375.3 million in the same month last year. The standing in March last was \$413.3 million, a gain of 5.2 per cent having been indicated.

Owing to the moderate increase in the general price level, the increases in real income were of slightly lesser proportions than in the money income. The real income obtained by adjustment for general price changes, was estimated at \$448.6 million in April compared with \$402.3 million in the same month of last year. The indicated gain was consequently \$46.3 million or 11.5 per cent. The advance over March was nearly 5 per cent the standing of the real income in that month having been \$427.8 million.

Increases were recorded in each of the three main economic divisions. On a money basis, the contribution of commodity producing activities rose from \$201.2 million in March to \$214.9 million in the month under review. The commodity handling division contributed \$91.2 million in April against \$87.4 million in the preceding month. The facilitating division, including finance, government and service contributed \$128.6 million in April against \$124.7 million in March.

The monthly computation is maintained for the dual purpose of providing a preliminary measurement for each year pending the calculation of annual estimated, and to indicate the month to month changes in the creation of national income. Annual census results are not completely available for about eighteen months after the end of the period covered causing considerable delay in estimating the annual totals by the normal method. While the source material necessary for developing monthly series is not so satisfactory either in quantity or quality as the information used for annual estimates, there are considerable data in the form of monthly indexes which indicate with a fair degree of accuracy changes in the national income from month to month throughout the year.

The index of the physical volume of business on the base of 1935 to 1939 equals 100 was 127.9 in April against 123.2 in the preceding month. Mineral production was practically maintained from March, the index having been 121.8 against 122.8. An advance of 3 points was shown in the index of manufacturing production, the standing in April having been 140.3. Dairy production rose sharply in April, exceeding the limits of seasonal variation. The index for the iron and steel group rose from 167.5 to 173.2. The new business obtained by the construction industry rose sharply from 139 to 181.5. Contracts awarded in the first five months amounted to \$129.7 million or 50.2 per cent greater than for the similar period of 1940, the standing at that time having been \$86.3 million.

The index of electric power production rose from 115.8 in March to 126.1 in the latest month for which statistics are available. Merchandise exports were particularly heavy in April, the index having been 169 against 147 in the preceding month. Grain marketing showed marked expansion, while the index of livestock sales increased from 93.4 to 105.4. An index of cold storage holdings was 176.5 against 145.4 at the beginning of the month. (See also Page 3)

Stocks of Raw Hides and Skins

Stocks of raw cattle hides held by tanners, packers and dealers in Canada amounted to 492,783 at the end of April, 1941, compared with 529,397 at the end of March and 689,008 at the end of April, 1940. Calf and kip skins on hand increased from 480,704 at the end of March to 532,329 at the end of April 1941 and 494,867 a year ago. Stocks of other types at the end of April 1941 included 51,689 dozen sheep and lamb skins, 130,697 goat and kid skins and 23,319 horse hides.

Index Numbers of Wholesale Prices

The weekly index number of wholesale commodity prices advanced to 88.7 during the week ending May 30 from 88.5 in the previous week and 81.7 in the corresponding week last year. These indexes are on the 1926 base as 100. Outstanding among the commodities to advance over the previous week were livestock, meats, butter, cotton fabrics and tin ingots while flour and milled products, raw rubber, green coffee beans, raw silk and scrap iron declined.

Economic Activity in April Compared with the Preceding
Month

	April 1941	March 1941
National Income, Million Dollars, Tentative	-	-
Monthly Computation	434.7	413.3
Commodity producing	214.9	201.2
Commodity handling	91.2	87.4
Facilitating	128.6	124.7
Physical Volume of Business, 1934=39=100	127.9	124.0
Industrial Production	139.5	133.5
Mineral Production	121.8	122.8
Gold, Mint receipts	130.0	127.2
Silver shipments	106.1	109.0
Asbestos exports	150.2	147.9
Coal production	127.9	129.2
Manufacturing	140.3	137.3
Flour production	-	133.4
Oatmeal production	-	21.5
Sugar manufactured	96.7	112.0
Inspected slaughterings	139.8	124.5
Cattle	109.5	95.2
Sheep	111.5	89.3
Hogs	188.8	173.0
Creamery butter	122.6	115.5
Factory cheese	217.2	152.9
Salmon exports	158.7	31.7
Tobacco	130.3	150.7
Cigar releases	169.4	151.9
Cigarette releases	127.2	151.5
Rubber imports	95.3	146.1
Boots and shoes production	-	117.1
Textiles	171.1	155.2
Cotton consumption	181.1	174.7
Wool imports	203.0	169.2
Silk imports	47.5	50.3
Rayon materials used	154.6	147.6
Forestry	118.4	125.6
Newsprint	108.5	114.8
Woodpulp exports	194.8	169.4
Planks and boards exports	112.9	134.4
Shingles exported	139.0	142.3
Iron and Steel	173.2	167.5
Steel production	180.2	171.7
Pig iron production	172.7	163.3
Iron and Steel imports	238.9	220.9
Automobile production	124.3	129.8
Coke production	127.1	125.4
Crude Petroleum imports	153.6	79.9
Construction	181.5	139.0
Contracts awarded	169.6	134.5
Building permits	222.8	154.9
Cost of Construction	111.4	111.3
Electric Power	126.1	115.8
Distribution	108.1	107.6
Trade Employment	-	unavailable
Carloadings	127.2	122.9
Imports	150.0	153.6
Exports (excluding gold)	169.2	147.4
Producers' Goods	143.0	136.5
Consumers' Goods	113.5	110.8
Marketings	-	-
Grain and Live Stock Marketings	113.6	50.8
Grain Marketings	117.8	33.5
Wheat	114.4	26.1
Oats	205.4	147.1
Barley	71.1	40.3
Flax	310.1	431.1
Rye	276.9	98.6

Continued on next page --

Economic Activity in April Compared with the Preceding Month - Cont'd.

	April 1941	March 1941
Live Stock Marketings.....	105.4	93.4
Cattle.....	95.1	92.7
Calves.....	114.2	93.4
Hogs.....	126.2	92.7
Sheep.....	159.9	79.4
Cold Storage Holdings 1st of following month...	176.5	145.4
Eggs.....	191.9	289.2
Butter.....	260.8	144.8
Cheese	101.1	84.4
Beef.....	100.5	98.4
Pork.....	159.5	184.1
Mutton.....	93.5	81.3
Poultry.....	98.0	94.8
Lard.....	250.9	249.6
Veal.....	126.1	118.3

Sales and Purchases of Securities Between
Canada and Other Countries during March

The international trade in securities between Canada and other countries in March continued close to the small volume recorded in February. Sales in March totalled \$6,293,795 compared with \$6,201,248 in February and \$14,892,873 in March, 1940. Purchases from all countries aggregated \$5,434,451 compared with \$4,831,711 in February and \$11,268,623 in March, 1940. Sales to all countries during the first three months of 1941 totalled \$21,609,769 compared with \$44,280,526 in the corresponding period of 1940, while purchases amounted to \$16,537,622 as against \$31,618,455 a year ago.

Sales of New Motor Vehicles in April

April sales of new motor vehicles in Canada, excluding deliveries to the Government for war purposes, continued to show the gains over 1940 recorded in March. April sales were 11 per cent in number and 27 per cent in value above April of last year. There were 20,838 new motor vehicles retailed for \$26,462,358 in April this year compared with 18,834 new vehicles which sold for \$20,837,900 in the same month of 1940, bringing the total for the first four months of the current year to 52,695 units with a retail value of \$66,352,813 five per cent in number and 18 per cent in value higher than the 50,438 new vehicles with a retail value of \$58,086,373 sold in the corresponding period last year.

Wholesale Sales in April

Dollar sales of wholesale trading establishments in Canada gained 13 per cent in April over March and were 23 per cent above the volume of business transacted in April a year ago. The 23 per cent increase over April, 1940 compared with a 20 per cent gain in March and it exceeds by a considerable margin the spread recorded in January and February over the corresponding months last year. The index of sales in April this year, on the base average 1935-1939=100, was 141.5 compared with 125.2 in March and 115.1 in April, 1940. Sales for the first four months of 1941 average 16 per cent higher than for the similar period of 1940.

Automotive equipment, clothing and hardware lead in point of view of increased sales compared with April last year. Sales for wholesalers specializing in automotive equipment were up 33 per cent from last year; clothing wholesalers and hardware wholesalers both recorded gains of 31 per cent. The fruit and vegetable trade was up 13 per cent and the drug trade 15 per cent. Gains of approximately 20 per cent were common for other lines of business included in the survey, increases over April a year ago being as follows: footwear trade, 20 per cent; tobacco and confectionery trade, 22 per cent; groceries, 23 per cent and dry goods 23 per cent.

Canadian Wheat in Store

The amount of Canadian wheat in store on May 30 totalled 467,381,794 bushels compared with 464,344,075 on May 23 and 281,527,647 on the corresponding date last year. The stocks in elevators in Canada on the latest date totalled 428,234,650 bushels compared with 426,482,840 on May 23 and 258,938,621 a year ago. Canadian wheat in the United States on May 30 aggregated 39,097,144 bushels compared with 37,861,235 on May 23 and 22,589,026 in 1940.

Export Clearances of Wheat

Overseas export clearances of wheat during the week ending May 30 amounted to 4,897,243 bushels compared with 3,308,085 in the corresponding week last year. Clearances during the period August 1, 1940 to May 30, 1941 aggregated 137,019,574 bushels in comparison with 133,518,552 in the like period of the previous crop year.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces for the week ending May 30 amounted to 7,077,627 bushels compared with 7,356,569 in the previous week and 1,816,554 in the corresponding week last year. By provinces the receipts for the latest week were as follows, 1940 figures being in brackets: Manitoba 865,561(152,621) bushels; Saskatchewan 4,474,045 (1,004,881); Alberta 1,738,021(659,052).

Marketings during the forty-three weeks ending May 30 aggregated 395,537,830 bushels compared with 393,881,724 in the same period of the previous crop year. Totals follow by provinces: Manitoba 50,607,629(51,692,581) bushels; Saskatchewan 207,339,972(219,840,119); Alberta 137,590,229(122,349,024).

World Shipments of Wheat

World shipments of wheat during the week ending May 31 amounted to 8,687,000 bushels as compared with 9,515,000 in the previous week and 11,962,000 in the corresponding week last year. Shipments from August 1, 1940 to May 31, 1941, amounted to 261,320,000 bushels as compared with 444,718,000 in the corresponding period last year.

Production of Flour in April

Canadian flour mills reported the manufacture of 1,660,897 barrels of flour in the month of April compared with 1,344,293 in the corresponding month last year. This was the highest April production on record. The percentage of operations for the month was 74.8 compared with 58.6 a year ago. Total production from the beginning of the present crop year amounted to 13,241,500 barrels compared with 14,073,645 in the same period of 1939-40. Exports of flour in April totalled 849,816 barrels, making a cumulative total of 5,278,562 barrels exported in the past nine months compared with 5,235,600 in the like period of last year.

Grains ground in Canadian mills in April 1941 are as follows, with 1940 figures in brackets: wheat 7,381,410(6,035,930) bushels; oats 1,271,571(817,269); corn 202,974 (208,677); barley 197,393(127,927); buckwheat 1,613(6,887); and mixed grain 2,675,249 (2,157,642). Mill stocks of wheat on April 30, 1941, amounted to 5,230,805 bushels as compared with 5,846,816 in 1940.

Stocks of Sugar

Stocks of refined sugar in the refineries in Canada on May 17 amounted to 137,370,149 pounds as compared with 112,136,470 on the corresponding date last year. Raw sugar stocks in the refineries on the latest date totalled 84,655,497 pounds as compared with 92,503,399 pounds a year ago.

Chemicals and Allied Products

Preliminary statistics for 1940 place the output value of chemicals and allied products at \$184,152,867 or 15 per cent more than in 1939.

Regional Changes in Living Costs

Regional index numbers of living costs recently prepared by the Dominion Bureau of Statistics have followed very closely the movements of the Dominion cost of living index since the outbreak of war. The Dominion index advanced 7.7 per cent between August 1939 and April 1941. Corresponding increases in the indexes of eight cities taken as representative of the principal geographic areas of the Dominion have ranged from 5.7 per cent in the case of Edmonton to 10.1 per cent for Montreal. Thus in none of the eight cities has the rise differed from the rise in the Dominion as a whole by more than 2.4 p.c. Since these eight cities include the majority of the key merchandise distributing centres of the Dominion this is important evidence of underlying similarity in retail price behavior throughout Canada. Of course this does not preclude the possibility of material differences in actual prices of commodities, but it does suggest that percentage changes in retail price levels since the outbreak of war have been closely comparable in all areas of the Dominion.

Appreciable divergences from Dominion indexes were most frequent for rents and fuel which have been influenced to a considerable extent by local conditions and wartime measures. As an example, the net change in Halifax rents has been small, due to the control of rents in that city, while in Montreal and Saskatoon rental indexes have advanced by more than 8 per cent. In the case of Montreal, provincial and municipal sales taxes have introduced a further local condition affecting living cost movements.

Wartime increases in retail food-price indexes have ranged from 8.1 per cent for Edmonton to 14.0 per cent for Halifax. The Dominion retail food price index has advanced almost 11 per cent in the same period. In four of the eight cities April 1941 food indexes were slightly below those for December 1940, and only in Vancouver was the food index appreciably higher than in December. This recent rise in Vancouver was related primarily to changes in meat prices.

Movements in fuel and lighting indexes varied all the way from an increase of 13.7 per cent for Montreal to a decline of 2.0 per cent for Edmonton. The decrease for Edmonton was due to a substantial reduction in rates on fuel gas for domestic consumption. The Dominion fuel and lighting index moved up exactly 10 per cent between August 1939 and April 1941.

Percentage changes in city rent indexes ranged between a decline of 0.6 for Vancouver and an increase of 3.1 for Montreal and Saskatoon. The slight decline in Vancouver resulted from a weaker tendency in apartment rentals late in 1939 prior to the establishment of rent control. A Dominion index of residential rentals rose 3.8 per cent between August 1939 and April 1941, and the results of the May 1941 rental survey will likely increase this figure by a small amount.

Higher prices for woollen and leather goods have been mainly responsible for increases in clothing prices which have been more marked for men's than for women's apparel. Since August 1939, increases in city retail clothing price indexes have varied from 9.5 per cent for Winnipeg to 17.3 per cent for Montreal. The corresponding Dominion clothing index showed a rise of 14.2 per cent.

Changes in home furnishings and services have shown regional differences similar to clothing but due to the retarding influence of home service maintenance costs (telephone and laundry) percentage increases have been less. They have varied from 8.5 per cent for Winnipeg to 13.1 per cent for Montreal and Edmonton. The Dominion index of furnishings and services has increased 10.7 per cent.

The miscellaneous living costs group is largely composed of service costs such as those for health maintenance, transportation, recreation, and insurance. Changes within these groups are comparatively infrequent, and they have shown very little reaction to wartime conditions so far. Percentage increases in miscellaneous living costs have ranged from 1.1 for Vancouver to 2.7 for Saint John. This compared with an increase of 1.6 per cent in the Dominion index.

Indexes of Retail Sales in April

The upward trend in retail purchasing in Canada was continued during April, dollar sales for the month increasing 14 per cent from March and standing 23 per cent above the level of April a year ago. The unadjusted index for April this year, on the base 1935-1939=100, was 135.8 compared with 119.1 in March and 110.5 in April, 1940. On adjusting for differences in the numbers of business days in different months, for normal seasonal variations and for the shifting date of Easter, the adjusted index for April 1941 stands at 135.4 compared with 129.3 for March, 130.6 for February and 124.6 for January. The underlying trend in retail sales for April as reflected in the adjusted index for that month was at a level 33 per cent higher than the average for the twelve months preceding the outbreak of the war.

Easter occurred in 1940 whereas most of the Easter business was transacted in April this year. This factor adds to the favorable comparisons in sales between April of this year and last for such trades as candy stores, shoe stores, clothing stores and variety stores. Candy stores transacted more than twice the volume of business in April of this year than last, the index for this trade showing an increase of 129 per cent. Men's clothing store sales were up 45 per cent; women's clothing stores gained 31 per cent while shoe stores were up by 39 per cent. Variety stores averaged 37 per cent higher than in April a year ago, while increases of 35 per cent and 33 per cent for the women's and men's clothing department stores contributed to a gain of 26 per cent for department stores as a whole. Greater activity in the building trades is reflected in a 25 per cent increase for hardware stores; restaurants gained 20 per cent and radio and electrical shops, 19 per cent. Furniture store sales were up 17 per cent, drug stores 16, and grocery and meat stores, 14 per cent.

Index of Country General Store Sales

Country general store sales averaged 13 per cent higher in April this year than last according to returns received from approximately 675 of these general merchandise stores located in the smaller towns and rural areas. The unadjusted index on the base 1935-1939=100 was 108.4 for April this year 94.5 for March and 95.7 in April, 1940. During the first four months of 1941 an increase of 6.4 per cent has been recorded over the corresponding period of 1940.

Index Numbers of Living Costs in April

The Dominion Bureau of Statistics index number of living costs on the base 1935-1939=100, rose from 108.2 in March to 108.6 in April, the first upward movement shown by the index since January. Higher prices for foods, augmented by fractional gains in the clothing and housefurnishings group accounted for the advance.

An index for 46 food items moved up from 109.0 to 110.1 between March and April, following increases in dairy products, meats, dry groceries, vegetables, fruits and cereals. Egg prices recorded further seasonal declines. Food prices in April, 1941, were approximately the same level as in the spring of 1931.

Moderately higher prices for piece goods and a slight advance in men's clothing caused the clothing index to rise from 114.2 in March to 114.3 in April. Similarly the home-furnishings and services index rose 0.1 to 111.7, the increase being due to advances in furniture and textiles.

Production of Coal and Coke

Canadian mines produced 1,214,050 tons of coal during April compared with 1,543,784 in the previous month and 1,273,015 in April, 1940. The tonnage produced during the first four months of 1941 was 6,034,956 in comparison with 5,837,209 in the like period of 1940.

Coke production during April amounted to 253,000 tons compared with 266,000 in March and 237,000 in April, 1940. The amount produced during the first four months of 1941 was 1,027,000 tons as compared with 923,000 in the corresponding period of 1940.

Reports Issued During the Week

1. Car Loadings (10 cents).
2. Coal and Coke Statistics, April (10 cents).
3. Regional Changes in Living Costs (10 cents).
4. Prices and Price Indexes, April (10 cents).
5. Sales of Asphalt Roofing, April (10 cents).
6. Production of Asphalt Roofing, April (10 cents).
7. Summary of Monthly Railway Traffic Reports, 1940 (25 cents).
8. Monthly Indexes of Country General Store Sales, April (10 cents).
9. Current Trends in Food Distribution, April (10 cents).
10. Monthly Indexes of Retail Sales, April (10 cents).
11. Monthly Indexes of Wholesale Sales, April (10 cents).
12. Fruit and Vegetable Crop Report (10 cents).
13. Chemicals and Allied Products, 1940 (15 cents).
14. Index Numbers of Wholesale Prices (10 cents).
15. Telegraphic Crop Report, Canada (10 cents).
16. Advance Preliminary Statement of Butter, Cheese and Eggs in Principal Canadian Cities, June 1 (10 cents).
17. Canadian Milling Statistics, April (10 cents).
18. Canadian Grain Statistics (10 cents).
19. Stocks of Raw Hides and Skins, April (10 cents).
20. Monthly Sales of New Motor Vehicles, April (10 cents).
21. Express Statistics, 1940 (10 cents).
22. Summary of Canada's Exports, April (10 cents).
23. Sales and Purchases of Securities Between Canada and Other Countries, March (10 cents).
24. Sugar Report, April 21 to May 17, 1941 (10 cents).
25. Weekly Earnings and Hours of Work of Male and Female Wage-Earners Employed in the Manufacturing Industries of Canada, 1938 (25 cents).

STATISTICS CANADA LIBRARY
BIBLIOTHÈQUE STATISTIQUE CANADA



1010729900