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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.

The six indexes and the composite are shown here on the base 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 considerable gain in the first week of June over the preceding week, the adjusted index advancing from 103 to 106.6. The total traffic movement from the first of the year to June 7 was 1,303,000 cars, against 1,127,000 cars in the same period of last year.

Newsprint production was 284,767 tons in May, against 323,563 in the same month of last year, a decline of 12 p.c. The output in the preceding month was 279,996 tons and the normal gain for the season between April and May is about 3 p.c. Operations a year ago were at a high level, due to the German invasion of Norway cutting off Scandinavian supplies and leading to heavy purchases by publishers.

The index of whole sale prices rose from 88.7 in the last week of May to 89.0 in the week under review. Four of the eight main groups recorded advances, while chemicals alone showed recession. Sensitive prices recorded an advance in the week under review, an average of 18 price series rising from 73.4 to 74.2. Presumably owing to heavy payments on the third War Loan, bank clearings rose sharply in the first week of June. The total for 32 cities was about \$361.3 million against \$267.4 million in the same week of 1940. The adjusted index, however, recorded recession from the preceding week, the total having been 95.9 against 104.6.

The index of common stock prices receded from 69.5 to 69.2 and speculative trading was at a lower point. An index of bond yields indicated a steady level in bond prices. The average discount price of accepted bids for forty million of Canadian Treasury Bills due September 12 was 99.854, an average yield of 0.588 p.c. Some reduction in the price was indicated from the preceding sale of bills two weeks ago.

The weekly index measuring the fluctuations of the six above-mentioned factors was 110.7 in the week of June 7, against 111.3 in the preceding week, a decline of 0.5 p.c. The standing in the same week of 1940 was 103.1, a gain of 7.4 p.c. 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
June 7, 1941	106.6	89.0	143.3	95.9	69.2	14.7	110.7
May 31, 1941	103.0	88.7	143.3	104.6	69.5	16.6	111.3
June 8, 1940	94.3	81.9	137.2	83.5	72.3	133.1	103.1

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 during Four Months of 1941

The expansion in economic activity was reflected in a gain of 11.6 per cent in the national income during the first four months of 1941 over the same period of the preceding year. The total was \$1,683 million in the elapsed portion of the present year against \$1,508 million. The greatest increase was recorded in the commodity producing activities the total having been \$828 million against \$704 million in the first four months of last year, a gain of 17.6 p.c. The gains in the commodity handling and facilitating divisions amounted to 9.7 p.c. and 4.1 p.c. respectively. The national income, the best measure of economic activity, rose 15.8 p.c. in April over the same month of last year, the standing having been \$434.7 million against \$375.3 million in the same month a year ago.

The index of the physical volume of business on the base of 1935-1939=100, was 126.9 during the first four months against 112.2, a gain of slightly more than 13 p.c. The increase in wholesale prices was 3.3 per cent, while a decline of nearly 25 p.c. was shown in common stock prices. High-grade bond prices were at a considerably higher level, while an increase of nearly 3 p.c. was shown in the amount of cheques cashed in clearing centres.

The main components of the index of the physical volume of business recorded gains in this comparison. The increase in the index of mineral production was about two points to 123.1. Manufacturing production measured by the official index rose 12 per cent to 138.4. Construction contracts awarded rose from \$58.2 million to \$88.8 million. The gain in electric power production was from 9.7 million kilowatt hours to 10.4 billion, a gain of 6.7 p.c. The advances in exports and imports were 24 p.c. and 32 p.c. respectively. The railway traffic movement was 15 p.c. greater at 947,000 cars. The sum of the notice and demand deposits rose 10.7 p.c. to \$2,751 million. Advances were also shown in current loans and security holdings of the chartered banks.

Weekly Index Numbers of Wholesale Prices

The Dominion Bureau of Statistics index number of wholesale commodity prices, on the base 1926=100, rose from 88.7 for the week ending May 30 to 89.0 for the week of June 6. In the corresponding week last year it was 81.9. Included among the commodities to move higher than in the previous week were grains, potatoes, livestock, meats, butter and raw silk, while lower quotations ruled for raw rubber, fish, green coffee beans and eggs.

The index of industrial material prices, on the base August 1939=100, advanced from 133.6 in the previous week to 134.5. The stable group remained at 125.3, but the sensitive prices series, comprising manufacturing and food materials, rose from 139.4 to 141.0. Manufacturing materials mounted from 139.2 to 140.9, when decreases in rosin and raw rubber failed to offset higher quotations for raw cotton, raw silk and cottonseed oil. Food materials increased from 139.7 to 140.9, because of strength in wheat, oats and hogs.

Canadian farm products continued to move higher, advancing from 69.9 to 70.1. Due largely to firmer quotations for grains and potatoes, field products rose from 55.4 to 55.7, while animal products moved from 94.3 to 94.4, as an increase in livestock outweighed a reduction in eggs.

Production of Iron Oxides

Production in Canada of iron oxides and ochres, crude and refined, during 1940 totalled 9,979 short tons valued at \$111,874 compared with 6,015 short tons worth \$88,418 in 1939. Of the 1940 output, 9,603 short tons valued at \$107,926 came from properties in the province of Quebec and the balance of 376 tons at \$3,948 represented crude material shipped from deposits located in British Columbia.

Sales of Electric Storage Batteries

Reports from manufacturers accounting for about 99 per cent of the Canadian production of electric storage batteries show that sales for the first quarter of 1941 had a factory value of \$1,422,194 compared with \$1,667,443 in the previous quarter and \$1,091,862 in the corresponding period of 1940.

Overseas Export Clearances of Wheat

Overseas export clearances of Canadian wheat amounted to 4,000,545 bushels during the week ending June 6 as compared with 3,316,227 in the corresponding week last year. During the forty-four weeks ending June 6 clearances aggregated 141,020,119 bushels as compared with 136,834,779 in the corresponding period of the previous crop year.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces during the week ending June 6 amounted to 8,570,675 bushels compared with 7,119,521 in the previous week and 2,326,965 in the corresponding week last year. Totals follow by provinces, with 1940 figures in brackets: Manitoba 739,046(164,256) bushels; Saskatchewan 5,893,948(1,387,758); Alberta 1,937,681(774,951).

Marketings during the forty-four weeks ending June 6 aggregated 404,150,399 bushels compared with 396,208,689 in the like period of the previous crop year. Totals were as follows by provinces, 1940 figures being in brackets: Manitoba 51,275,526(51,856,837) bu; Saskatchewan 213,238,479(221,227,677); Alberta 139,636,394(123,123,975).

Wheat Stocks in Store

Canadian wheat in store on June 6 totalled 468,834,203 bushels as compared with 467,331,794 on May 30 and 279,624,235 on the corresponding date last year. The stocks in elevators in Canada on the latest date aggregated 429,109,451 bushels compared with 428,234,650 on May 30 and 257,256,079 a year ago. The amount of Canadian wheat in the United States was 39,724,752 bushels as against 39,097,144 a week ago and 22,368,156 in 1940.

Crop Conditions in Prairie Provinces

The past week has brought additional rainfall to most of the Prairie areas, thereby maintaining and improving crop prospects. Temperatures were on the low side, which slightly retarded the immediate growth, and some light frosts in north-western Manitoba and north-eastern Saskatchewan damaged gardens but failed to harm the field crops. The areas largely missed by last week's rains include south-western and east-central Saskatchewan, and north-central Alberta. Although the crops have not actually deteriorated in these districts heavy rains are needed immediately to prevent a setback when the weather turns warm. Additional hatchings of grasshoppers are reported in Manitoba and to a less extent in Saskatchewan. Wireworms have been active over wide areas of the three provinces, causing light to moderate damage to the wheat stands. Pastures and forage crops are in excellent condition in Manitoba and are also promising well in Saskatchewan and the greater part of Alberta. Livestock are doing correspondingly well.

World Shipments of Wheat

World shipments of wheat during the week ending June 7 amounted to 7,255,000 bushels as compared with 8,687,000 in the previous week and 12,362,000 in the corresponding week last year. During the forty-four weeks ending June 7 world shipments aggregated 268,575,000 bushels as compared with 187,271,000 in the like period of the previous crop year.

Stocks of Foreign Corn

Stocks of foreign corn in Canada on June 6 totalled 1,165,754 bushels compared with 2,434,817 on the corresponding date last year. Countries of origin were as follows, with 1940 totals in brackets: United States 975,003(2,013,284) bushels; Argentina 158,420(2,056); South Africa 32,331(419,477).

Production of Leather Footwear in April

The Canadian production of leather footwear during April totalled 2,691,248 pairs, an increase over the preceding month of seven per cent and a gain over April 1940 of 23 per cent. Production during the four months ended April aggregated 9,332,440 pairs compared with 8,781,974 in the corresponding period of 1940.

Footwear imports, excluding rubber, in April amounted to 65,071 pairs valued at \$140,045 compared with 83,039 pairs valued at \$151,586 a year ago. Imports from the United Kingdom totalled 5,061 pairs valued at \$17,978; from the United States 53,240 pairs valued at \$115,864; and from all other countries combined 6,770 pairs valued at \$6,203.

The exports of leather footwear of Canadian manufacture amounted to 54,793 pairs valued at \$81,399 in April compared with 37,198 valued at \$53,476 in April of last year.

Reports Issued During the Week

1. Carloadings (10 cents).
 2. The Cordage, Rope and Twine Industry, 1940 (25 cents).
 3. Factory Sales of Electric Storage Batteries, First Quarter, 1941 (25 cents).
 4. Economic Conditions in Canada, Four Months, 1941 (10 cents).
 5. Condition of Field Crops, May 31, Canada (10 cents).
 6. Stocks of Dairy and Poultry Products, June 1, 1941 (10 cents).
 7. Cold Storage Holdings of Meat and Lard, June 1, 1941 (10 cents).
 8. Cold Storage Holdings of Fish, June 1, 1941 (10 cents).
 9. Stocks of Fruits and Vegetables, June 1, 1941 (10 cents).
 10. Monthly Review of Business Statistics, May (10 cents).
 11. Telegraphic Crop Report, Prairie Provinces (10 cents).
 12. Iron Oxides (Ochre), 1940 (15 cents).
 13. Weekly Index Numbers of Wholesale Prices (10 cents).
 14. The Machinery Industry, 1939 (25 cents).
 15. Canadian Grain Statistics (10 cents).
 16. Production of Leather Footwear, April (10 cents).
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