

Dominion Bureau of Statistics

Department of Trade and Commerce

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Today's Quotation

Trade is the mother of money. -- John Ray's "Complout Collection of English Proverbs" (1742, 1st edition).

Weekly Indexes

There are six indexes available on a weekly basis in Canada that reflect the general economic trend. Those 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 showed a slight gain in the third week of June, the index of carloadings rising to 110.9 from 110.0 in the preceding week. The traffic was heavier in the eastern division, counterbalancing the recession in the West. The gross operating revenues of the Canadian National Railways rose 18.7 per cent over the same week of 1940, while the Canadian Pacific Railway revenues were 22.6 per cent greater.

The advance in wholesale prices was accelerated in the week of June 20, the official index increasing from 89.3 to 89.8. Gains were shown in each of the eight main groups, except non-ferrous metals and non-metallic minerals which remained unchanged. An index of eighteen sensitive commodities on the base of 1926 rose from 74.9 to 75.2, industrial materials and foodstuffs sharing in the increase.

Bank clearings, owing to heavy payments on the Victory Loan, showed a marked increase over the same week of 1940. The index after elimination of the Ottawa total and adjustment for seasonal tendencies recorded a minor decline from the preceding week.

An index of common stock prices rose from 69.5 to 70.2, while the recession from the same week of last year was 3.3 per cent. Speculative trading was at a lower level in both comparisons.

Bond prices averaged slightly higher, gains having been recorded over the preceding week and over the same week of last year.

The weekly index representing the average fluctuations in the above-mentioned factors was 113.4 in the week under review against 113.3 in the preceding week, a gain of 0.1 per cent. The standing one year ago was 104.4 an increase of 8.6 having been indicated.

A Weekly Index with Six Components on the Basis 1926=100

Week Ending	Car loadings	Wholesale Prices	Capitalized Bond Yields 1	Bank Clearings 2	Prices of Common Stocks	Shares Traded	Weekly Index 3
June 21, 1941	110.9	89.8	143.7	104.1	70.2	15.8	113.4
June 14, 1941	110.0	89.3	143.3	106.2	69.5	18.4	113.3
June 22, 1940	99.9	81.5	136.4	88.8	72.6	57.9	104.4

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 eliminated from the composite and the resulting index expressed as a percentage of the average during the year 1926.



## World Wheat Situation

A shift in the incidence of western hemisphere wheat surpluses has been developing within the past month. Canada's statistical position has continued to improve with the maintenance of the current high rate of exports. In the United States, up until the first week in June there was a marked tendency to raise the estimates of the current crop, thereby increasing the prospective wheat supply position in that country. At the present moment it appears that Canada's wheat carry-over on July 31 next may fall below 500 million bushels whereas an appreciably larger carry-over was anticipated a few months ago. In the meantime, our rate of exports has considerably improved beyond earlier expectations, and a carry-over around 490 million bushels is a distinct possibility. Up until June 13 our actual exports of wheat and flour were estimated at 187 million bushels, with exports for the full crop year likely to run as high as 230 million bushels. Average prospects for 1941 wheat yields in the Prairie Provinces continue to prevail on an acreage estimated for 1941 wheat yields in the Prairie Provinces continue to prevail on an acreage estimated to have been reduced by 25 per cent from last year's level. An average crop on the present acreage would leave little hope for reducing Canada's surplus through the coming crop year, although a reserve of wheat below the 500 million bushel level will be of more manageable dimensions than the stocks that threatened before the heavy export movement got under way.

The official estimate of the United States combined winter and spring wheat crops was released on June 10 at 910.7 million bushels. This represented an increase of 60 million bushels over the combined expectations a month earlier. In addition to the new crop, the June 30, 1941 carry-over in the United States is predicted at 395 million bushels, raising total supplies for the 1941-42 season to 1,306 million bushels. With domestic requirements placed at 650 million bushels, a surplus of 656 million bushels is now apparent for export or carry-over. At the present time it therefore appears that the United States will be carrying a larger wheat surplus through the 1941-42 season than will Canada. This is a reversal of the situation which has prevailed over the past year.

A possible offset in the United States supply position may come from damage to the winter wheat crop reported since the first of June. For example, the Kansas Grain Feed and Seed Dealers Association reported on June 10: "Rains have been generous and heavy even destructive over much of the state. Much of the heavy wheat in Western Kansas is now badly lodged and tangled with considerable damage in some areas. In the south and central parts of the state where grain is about ready for the harvester, deterioration is showing up quite pronounced caused from black rust, root exhaustion, weak straw and other causes; the net results being a much lighter yield and test weight than was expected. The first 10 days of June brought around 5 inches of rain to most Kansas counties. Floods, hail and tornados were destructive agents in many sections. As a result of these damage reports, coupled with continued unfavorable weather, some crop reporters are reducing their ideas on the Kansas crop. Early threshing returns from our neighboring states to the south are revealing disappointing yields."

From the longer run point of view, the announcement that the national acreage allotment for the 1942 United States wheat crop has been set at 55,000,000 acres - the minimum allowed under present legislation, and 7,000,000 acres less than the allotment for 1941 - bears the greatest hope for adjustment of the present condition of over-supply. In the meantime, the referendum on marketing quotas has carried, and the 1941 loan program with loan rates at 85 per cent of parity has been announced.

Australian crop prospects have recently taken a turn for the better, with scattered rains breaking the long drought. The new Argentine wheat crop is getting off to a good start. European crop conditions as a whole are reported to be better than a year ago, although the harvest is still expected to fall below average.

## World Shipments of Wheat

World shipments of wheat during the week ending June 21 amounted to 8,504,000 bushels as compared with 6,411,000 in the previous week and 10,202,000 in the corresponding week last year. Shipments during the period August 1, 1940 to June 21, 1941 aggregated 283,519,000 bushels as against 477,748,000 in the corresponding period last year.

## Stocks of Foreign Corn

Stocks of foreign grain in Canada on June 20 included the following, 1940 figures being in brackets: United States corn 989,496(1,781,077) bushels; Argentine corn 117,496 (154,211); South African corn 7,847(322,271); United States wheat 228,289(648,793); United States oats 96,022 (79,339); United States rye 23,578(23,768).



### Overseas Export Clearances of Wheat

During the week ending June 20 the export clearances overseas of Canadian wheat amounted to 3,534,054 bushels compared with 803,002 in the corresponding week last year. The accumulated total for the forty-six weeks ending June 20 was 151,689,111 bushels compared with 139,606,526 in the corresponding period of the previous crop year.

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### Primary Movement of Wheat

Wheat receipts in the Prairie Provinces for the week ending June 20 totalled 7,905,996 bushels compared with 8,679,180 in the previous week and 3,483,191 in the same week last year. By provinces the receipts were as follows, with 1940 totals in brackets: Manitoba 830,866(194,157) bushels; Saskatchewan 4,661,584(2,018,763); Alberta 2,413,546(1,270,271).

Marketings during the forty-six weeks ending June 20 aggregated 420,817,051 bushels compared with 401,886,669 in the like period of the previous crop year. Totals follow by provinces, 1940 figures being in brackets: Manitoba 52,854,135(52,176,624) bushels; Saskatchewan 223,275,601(224,472,113); Alberta 144,687,295(125,237,932).

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### Wheat Stocks in Store

Canadian wheat in store on June 20 totalled 470,100,346 bushels compared with 469,057,310 on June 13 and 279,897,499 on the corresponding date last year. The Canadian wheat in elevators in Canada on the latest date amounted to 431,464,641 bushels, while the total in the United States was 38,635,705 bushels.

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### Grain Situation in Argentina

The correspondent of the Dominion Bureau of Statistics in Buenos Aires reports under date of June 3 that the third and possibly the last estimate of the volume of the five principal grain and seed crops of Argentina shows a drop in each item as compared with the second estimate. The total is now estimated at 408,207,800 bushels, of which wheat accounted for 271,171,400 bushels, linseed 57,461,800, oats 34,982,200, barley 36,238,500 and rye 3,353,900. Of the barley 26,180,000 bushels are classified as malting grains but this is considered by grain men to be an exaggerated figure.

The decreases in the production estimates are attributed by the Ministry to the rainy weather prevailing at the time of the previous calculation, which coincided with the work of harvesting and threshing in most of the zones. In the case of oats and rye, especially the latter, the heavy reduction is said to be due to the very low prices quoted for the grain which offered no encouragement at harvest time.

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### Argentine Maize Crop

It is reported officially to the Dominion Bureau of Statistics that the second estimate of the maize crop of Argentina has been reduced by 150,000 tons from the first estimate. The total now looked for is 10,450,000 tons, or 411,398,000 bushels. The principal cause of the difference is given as the rainy weather which occurred in two of the provinces. The condition of the crop is said to be generally good, although the proportion of weevil damaged grain is such as to cause fear as to its satisfactory storage.

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### Carloadings

Carloadings continued to increase. During the week ending June 14 they rose to 65,431 cars compared with 65,005 in the previous week, and the index number rose to 143.8, the highest reached for a number of years. A year ago the loadings were 56,876.

In the eastern division loadings increased from 36,572 cars in 1940 to 42,496 and in the western division from 20,304 to 22,935. Heavy grain loadings was the chief factor in the gains in both divisions, the total being up by 4,061 cars or 41 per cent.

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## Sales and Purchases of Securities Between Canada and Other Countries during April

Sales and purchases of securities between Canada and other countries in April totalled \$12,606,321 compared with \$11,728,246 in the previous month and \$27,610,345 in 1940. April sales amounted to \$7,333,336 against \$6,293,795 in March and \$15,573,362 in April, 1940, while purchases from other countries were valued at \$5,272,985 compared with \$5,434,451 in March and \$12,036,983 last year.

During the first four months of 1941 the trade aggregated \$51,553,719 as compared with \$105,509,326 in the like period of 1940. The sales during the latest period totalled \$29,543,105, comparing with \$59,853,888 in the comparable period of 1940, while the purchases aggregated \$22,010,614 in comparison with \$43,655,438. A large proportion of this trade was transacted with the United States.

## Gold Production in April

The Canadian production of gold in April amounted to 439,556 ounces compared with 446,529 in the previous month and 419,282 in April, 1940. The production during the first four months of 1941 aggregated 1,733,074 ounces as compared with 1,680,817 in the corresponding period of 1940.

April production was as follows by provinces, with figures for 1940 in brackets: Ontario 276,305(263,109) ounces; Quebec 88,540(82,447); British Columbia 45,938(47,746); Manitoba and Saskatchewan 19,444(18,880); Northwest Territories 6,879(3,971). Nova Scotia operators shipped 1,615 ounces of gold to the Royal Canadian Mint in April compared with 2,111. Alluvial gold production from Yukon totalled 829 ounces as compared with 1,018.

Receipts of jewellery and scrap at the Royal Canadian Mint in April contained 577 ounces of gold as compared with 1,132 ounces in April, 1940.

## Canada's Domestic Exports in May

Canada increased her domestic exports substantially during the month of May, the total excluding gold, being \$161,639,000 as compared with \$109,853,000 in the corresponding month last year. From the point of view of value wheat, automobiles and parts, newsprint paper and meats were the leading exports.

Chief items of export were as follows, with figures for May 1940 in brackets: wheat \$24,605,000(\$21,337,000); automobiles and parts \$16,652,000(\$4,612,000); newsprint paper \$12,572,000(\$14,061,000); meats \$10,051,000(\$4,770,000); chemicals \$4,887,000(\$3,175,000); planks and boards \$4,852,000(\$4,213,000); alcoholic beverages \$1,341,000(\$871,000); rubber \$1,523,000(\$942,000); cattle, except for stock \$1,002,000(\$1,591,000); fishery products \$2,162,000(\$1,766,000); furs \$1,242,000(\$1,319,000); fibres and textiles \$2,961,000(\$2,005,000); wood pulp \$6,984,000(\$5,162,000).

Other leading exports: pigs, ingots, etc., \$2,373,000(\$1,506,000); farm implements \$1,866,000(\$1,360,000); machinery, other than farm \$2,221,000(\$1,426,000); non-metallic minerals \$3,821,000(\$2,855,000); stone \$1,143,000(\$780,000); fertilizers \$1,778,000(\$1,187,000); eggs \$695,000(\$289,000); red cedar shingles \$833,000(\$720,000); pulpwood \$881,000(\$408,000); rolling mill products \$577,000(\$602,000); soda compounds \$740,000(\$350,000).

## Canal Traffic in May

Traffic through the Sault Ste. Marie Canals, Canadian and United States Locks, moved upward in May, totalling 15,153,388 tons as compared with 12,250,263 in May, 1940. This tonnage was about six times the normal monthly traffic through the Panama or Suez Canal. The movement of iron ore down the Canals amounted to 11,613,030 tons, which was the greatest tonnage carried in any month to date and 59 per cent above the May 1940 tonnage. Wheat amounted to 52,744,576 bushels as against 55,205,889.

Total traffic using the Welland Ship Canal declined to 1,715,720 tons in May from 2,051,029 in 1940, the main decreases being corn 74,162 tons, wheat 170,142 tons, gasoline 14,032, pig iron 26,053 and bituminous coal 225,671 tons. Petroleum and other oils increased by 74,966 tons, pulpwood by 23,516 and iron ore by 38,355 tons.



St. Lawrence Canals traffic amounted to 900,264 tons as against 1,057,379 in May, 1940. Grain traffic was light, wheat declining by 154,046 tons and corn by 19,953. Anthracite coal was down by 5,204 tons and bituminous coal by 22,445 tons.

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#### Railway Traffic in March

Revenue freight loaded at Canadian railway stations and received from foreign connections during March amounted to 8,865,008 tons compared with 6,465,015 in March, 1940. The loadings in all provinces showed increases. Total loadings were up by 1,859,779 tons, or 36 p.c., imports increased by 396,089 tons or 48 p.c. and in-transit freight between foreign points increased by 346,125 tons or 35 p.c.

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#### Radio Sales in the First Quarter of 1941

Sales of radio receiving sets during the first quarter of 1941 numbered 77,121 sets valued at \$4,450,692 at factory list prices. A year ago the number was 71,503 sets. The following were the sales by provinces, with the corresponding figures for 1940 in brackets: Maritime Provinces 7,511(7,454); Quebec 13,956(14,348); Ontario 38,437(32,292); Manitoba 5,736(6,051); Saskatchewan 2,948(1,803); Alberta 3,277(3,684); British Columbia 5,256(5,871).

There were 9,777 sets imported during the first quarter of 1941 and imports of radio tubes numbered 333,271.

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#### Automobile Industry

Final statistics for 1940 place motor vehicle production in Canada at 223,013 units with a factory selling price of \$174,735,961, an improvement of 43 per cent in number and 76 per cent in value over the 155,426 units at \$99,173,916 reported for 1939. Passenger car output advanced slightly to 109,911 units from 108,369, while the number of commercial vehicles jumped to 113,102 from 47,057.

Including the value of repair parts, extra equipment and accessories and other products made in automobile factories the output for the industry totalled \$189,807,555 in 1940 against \$107,463,351 in 1939, an increase of 76.6 per cent.

Of the year's total, 94,633 passenger cars and 53,169 trucks were made for sale in Canada with the remainder of 15,278 passenger cars and 59,933 trucks being intended for export.

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#### Production of Automobiles in May

According to revised figures the production of motor vehicles in Canada in May numbered 26,585 units compared with 27,584 in April and 21,277 in May, 1940. The latest month's total included 9,840 passenger cars and 16,745 trucks. During the five months ending May there were 127,118 units produced compared with 92,982 in the corresponding period last year.

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#### Financing of Motor Vehicle Sales in May

Although the financing of motor vehicle sales in Canada continued at a high level during May, the pronounced increase over 1940 reported in earlier months of the year was greatly reduced. There were 25,245 new and used vehicles financed for \$12,107,606 in May, fractionally lower than corresponding totals for April, but up four per cent in number and 16 per cent in dollar volume over the 24,289 units financed for \$10,429,991 in May, 1940. During the five months ending May a total of 86,645 new and used vehicles were financed to the extent of \$41,672,589 compared with 74,276 for \$32,174,588 in the like period of 1940.

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#### Registered Motor Vehicles

An increase of 4.3 per cent was recorded in the number of motor vehicles registered in Canada in 1940 over the preceding year. The number was 1,500,829 compared with 1,439,245. Each of the provinces recorded advances. There were 1,234,637 passenger automobiles registered, 247,858 trucks, 2,958 buses, 13,379 motor cycles and 1,997 other motor vehicles.

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### April Employment Situation

There was further important expansion in industrial employment at April 1, according to information tabulated by the Dominion Bureau of Statistics from 12,600 establishments whose staffs aggregated 1,405,425, compared with 1,344,138 in the preceding month. This increase of 61,287 workers, or 4.6 per cent, has rarely been exceeded in any month in the more than twenty years during which the monthly surveys of employment have been made.

However, it is probable that the change in the basis of reporting is partly, though not wholly responsible for this unusually large increase in the number of employees reported by the cooperating establishments at April 1. The increase raised the crude index from 135.3 at March 1 to a new all-time high of 141.3 at April 1. The corresponding figure for 1940 had been 119.9; this was the previous maximum for the beginning of April. The average for 1926 is taken as 100 in calculating these index numbers.

In most of the twenty preceding years during which the employment data have been collected, employment at April 1 has shown a downward movement. This has been due in the main to the completion of the winter's logging operations in many camps in the eastern and central Provinces. As a result of the abnormally large contra-seasonal increase, the adjusted index showed its greatest advance on record, rising from 141.0 to 149.7 at April 1, 1941. It is not improbable that this pronounced increase will be followed by a smaller-than-average gain in the report for May.

There was an outstandingly large increase in manufacturing at the date under review, when 39,382 persons were taken on by the cooperating establishments. This gain of five per cent was decidedly greater than that recorded at April 1 in any other year of the record, having, in fact, rarely been exceeded in any month for which data are available. The upward movement continued the series of advances which have been in evidence almost without interruption since the summer of 1939, and resulted in the establishment of new, all-time high index numbers of employment. Practically all industries contributed to the gain; in iron and steel there were particularly important advances, associated with the production of war requirements. Marked expansion was also reported in chemical, textile, pulp and paper, food, lumber, leather, non-ferrous metal, electrical apparatus and clay, glass and stone products. In many cases these gains were seasonal in character, although they were unusually large for the time of year.

Among the non-manufacturing industries, mining, communications, transportation, construction, services, and trade also shared in the upward movement. Many of the additions reported were seasonal, although here too, they were above the average. The exception to the generally favorable movement was logging, in which, as already stated, there was a considerable seasonal falling-off.

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### Production of Petroleum and Natural Gas

The Canadian production of crude petroleum and natural gasoline in March amounted to 849,706 barrels compared with 737,313 in the previous month and 570,131 in March, 1940. Output during the first quarter of 1940 aggregated 2,389,671 barrels compared with 1,712,576 in the like period of 1940.

Natural gas production in March totalled 4,282,395,000 cubic feet compared with 4,429,065,000 in the previous month and 3,862,351,000 in March, 1940. Total output during the first three months of 1941 was 13,509,636,000 cubic feet compared with 13,017,721,000 in the same period of 1940.

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### Production of Leading Minerals

The production of Canada's leading mineral products during the first three months of 1941 was as follows, with comparable figures for 1940 in brackets: cement 963,052 (647,345) barrels; clay products 984,445 (618,240); coal 4,820,906 (4,564,194) tons; feldspar 4,200 (6,102) tons; gold 1,293,518 (1,259,608) fine ounces; gypsum 200,970 (158,888) tons; lime 188,815 (153,375) tons; natural gas 13,509,636,000 (13,017,721,000) cubic feet; petroleum 2,389,671 (1,712,576) barrels; commercial salt 46,672 (38,000) tons; silver 4,716,605 (5,128,524) fine ounces.

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### Index Numbers of Wholesale Prices

Wholesale commodity prices continued to mount during the week ending June 20 and the Dominion Bureau of Statistics index, on the base 1926-100, advanced from 89.3 for the week ending June 13 to 89.8 for the week of June 20. In the corresponding week last year the standing was 81.5.

Increases over the previous week occurred in all but two of the eight major groups comprising the index, while Non-Ferrous Metals and Non-Metallic Minerals were unchanged. Some of the more outstanding commodities to move higher were grains, potatoes, livestock, meats, cotton, wool and furniture, but raw rubber and green coffee beans declined.

Canadian Farm Products were firm, moving from 71.0 in the previous week to 71.1. Field products rose from 56.8 to 57.1, as higher prices ruled for grains and hay, but Animal Products declined from 94.9 to 94.6, as a reduction in hides and skins outweighed advances in livestock, eggs and wool.

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### Building Permits in May

Building permits issued by municipalities reporting to the Dominion Bureau of Statistics in May were valued at \$16,572,356 compared with \$15,901,543 in the previous month and \$13,849,596 in the corresponding month last year. New construction of all types in May accounted for 81 per cent of the total value, while the percentage of new residential construction was 48.4.

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### Reports Issued During the Week

1. Building Permits, May (10 cents).
  2. Weekly Index Numbers of Wholesale Prices (10 cents).
  3. Gold Production, April (10 cents).
  4. Telegraphic Crop Report, Prairie Provinces (10 cents).
  5. Carloadings (10 cents).
  6. Grain Situation in Argentina (10 cents).
  7. Wood-Using Industries, 1939 (35 cents).
  8. Traffic Report of Railways, March (10 cents).
  9. Production and Sale of Radio Receiving Sets, January, February and March, 1941 (25 cents).
  10. Monthly Review of the Wheat Situation (10 cents).
  11. The Employment Situation, April 1941 (10 cents).
  12. Petroleum and Natural Gas Production, March; Gasoline Sales, February (10 cents).
  13. Canada's Leading Mineral Products, March (10 cents).
  14. Canadian Grain Statistics (10 cents).
  15. Sales and Purchases of Securities Between Canada and Other Countries, April (10 cents).
  16. Report on the Factory Sales of Milk Powders, May (10 cents).
  17. Electrical Apparatus and Supplies Industry, 1939 (50 cents).
  18. Monthly Financing of Motor Vehicle Sales, May (10 cents).
  19. Summary of Canada's Exports, May (10 cents).
  20. Automobile Industry, 1940 (10 cents).
  21. Automobile Production, May (10 cents).
  22. Summary of Canal Traffic, May (10 cents).
  23. Registrations of Motor Vehicles, 1940 (10 cents).
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