

Weekly Quotation

Nature has given to every man the power of being happy, if he but know how to use it:
-- Claudian --

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.

Railway traffic recorded a minor gain in the week of July 19, the east and west divisions sharing in the advance. The increase in the traffic movement over the corresponding period of 1940, has continued week by week since the beginning of the year. The total traffic from the first week of 1941 was 1,681,000 cars, a marked increase over the same period of 1940. The gross revenues of the Canadian National to the week of July 21, were \$158.5 million, an increase of 23 per cent over the first twenty-eight weeks of 1940. The earnings of the Canadian Pacific amounted to \$112.5 million, a gain of 31.7 per cent over the \$85.3 million earned in the same period of last year.

The striking development of the week was the advance in wholesale prices, the official index moving up from 90.6 to 91.2. The gain over the preceding week was 0.7 per cent. Six of the eight groups recorded gains in this connection, iron and non-ferrous metal sub-groups remaining unchanged. The index of eighteen sensitive commodities advanced from 76.8 to 77.4, manufacturing materials and foodstuffs participating in the gain.

Bond prices remained stable during the latest week, yields on Dominion bonds having been unchanged. The adjusted index of bank clearings receded from 105.3 in the preceding week to 99.7. Common stock prices averaged lower, the index dropping from 74.3 to 72.9. Trading was at a lower level than in the preceding week.

The weekly index measuring the fluctuations of the six above-mentioned factors was 112.2 against 112.9 in the preceding week, a decline of 0.7 per cent. The gain over the same week one year ago was 9.2 per cent, the standing at that time having been 102.7.

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

Week Ending	Car load-ings	Whole-salo Prices	Capitalized Bond Yields 1	Bank Clear-ings 2	Prices of Common Stocks	Shares Traded	Weekly Index 3
July 19, 1941	104.6	91.2	144.1	99.7	72.9	22.6	112.2
July 12, 1941	103.6	90.6	144.1	105.3	74.3	39.5	112.9
July 20, 1940	95.0	82.0	137.6	83.2	72.0	20.6	102.7

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 1919 to 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 Expansion in June

The factors indicating the trend of economic conditions averaged higher in the first half of the present year than in any similar period since 1929. Business factors were the main influence in the expansion of economic activity. Accelerated by war demands, business operations were at a higher level than at any other time in history. The advance was practically continuous since the early months of 1938. The marked gain in June carried the index of the physical volume of business to a new high point. The main factor in raising the business index last month was the heavy placement of contracts with the construction industry.

The advance in wholesale prices continued, a new high point since the early months of 1930 having been reached in June. Commodity prices rose sharply in the first four months subsequent to the outbreak of hostilities. A certain measure of stability in the general level was indicated during the first half of 1940. Since that time the advance has been continued and weekly indexes record that the pace was accelerated in the latest month.

Financial factors were inconclusive in June a minor recession having been shown in high-grade bond prices. Bank liabilities in the form of notice and demand deposits were fully maintained at the first of June. Heavy payments on the victory loan during the month under review probably resulted in a temporary reduction in notice deposits. Speculative factors including the price index of common stocks and the number of shares traded on the exchanges were at low levels during the first half of the year.

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

	June 1941	June 1940	May 1941
Physical Volume of Business 1935-39=100	- *	120.0	132.9
Factory cheese production... lb.	25,550,190	23,688,820	16,551,456
Creamery butter production... lb.	40,498,503	40,327,158	32,978,810
Hog sales..... no.	75,828	62,773	81,760
Cattle and Calves..... no.	110,319	103,225	106,149
Cotton consumption..... lb.	15,915,739	15,378,128	16,502,650
Newsprint production..... tons	273,697	315,343	284,767
Shingles exported..... squares	310,917	254,126	304,369
Planks and boards exported... M ft.	169,316	246,477	152,756
Carloadings..... no.	271,272	239,582	276,157
Sugar manufactured..... lb.	102,412,562	107,509,859	71,548,490
Contracts awarded..... \$	85,747,500	39,097,000	40,875,600
Canned salmon exports..... cwt.	9,512	12,703	14,925
Automobile production..... no.	25,753	17,930	26,585
Total exports..... \$	146,851,211	111,621,656	162,662,639
Bank debits..... \$000	4,615,630	2,681,585	3,265,872

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

Fisheries of the Province of Quebec

The fisheries production of the province of Quebec in 1940 had a total marketed value of \$2,002,053, to which the sea fisheries contributed \$1,701,733, or 85 per cent and the inland fisheries, \$300,320 or 15 per cent. Compared with the preceding year the production of the sea fisheries shows an increase of \$193,737 or 13 per cent, while that of the inland fisheries records a decrease of \$202,637 or 40 per cent, making for the two fisheries combined a decrease of \$8,900, or one-half of one per cent.

Among the sea fishes, the principal kinds, in order of market value are cod, herring, lobsters, mackerel and salmon, while of the fish taken in the inland waters of the province, the chief kinds are eels, herring, shad, carp and catfish. The quantity of fish of all kinds, including shell fish, taken by Quebec fishermen during the year was 1,029,704 cwt. compared with 988,398 in 1939.

Overseas Export Clearances of Wheat

During the week ending July 18 the export clearances overseas of Canadian wheat totalled 2,994,157 bushels compared with 2,428,512 in the corresponding week last year. During the fifty weeks ending July 18 clearances aggregated 168,264,887 bushels as compared with 148,536,962 in the corresponding period of the previous crop year.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces during the week ending July 18 amounted to 7,117,301 bushels compared with 3,039,724 in the previous week and 4,156,753 in the same week last year. The totals follow by provinces, with 1940 figures in brackets: Manitoba 609,134(236,544) bushels; Saskatchewan, 3,828,631(2,715,108); Alberta, 2,679,536(1,205,101).

Marketings during the fifty weeks ending July 18 aggregated 443,904,534 bushels compared with 417,552,084 in the like period of the previous crop year. Totals were as follows by provinces, with figures for 1940 in brackets: Manitoba, 55,899,641(53,087,488) bushels; Saskatchewan, 235,331,886(233,662,072); Alberta, 152,673,007(130,802,524).

Visible Supply of Wheat

Canadian wheat in store on July 18 totalled 461,618,414 bushels compared with 463,444,766 a week ago and 282,118,158 on the corresponding date last year. The stocks in elevators in Canada amounted to 428,828,782 in 1940. The amount of Canadian wheat in the United States was 32,789,632 bushels compared with 36,749,828 in July 12 and 25,672,988 in 1940.

Stocks of Foreign Grain

Stocks of foreign grain in Canada on July 18 included the following with 1940 figures in brackets: United States wheat, 228,289(277,788); United States oats, 79,336(13,675); United States rye, 23,578(23,768); United States corn, 1,496,276(2,722,713); Argentine corn, 198,215(741,064); South African corn, 359(180,959).

Canada's Domestic Exports in June

Canada's domestic exports continued at a high point in June, totalling \$145,358,000 excluding gold, compared with \$110,823,000 in the corresponding month last year, a gain of 30 p.c. The total for the first six months of 1941 advanced to \$712,367,000 compared with \$548,139,000 in the like period of 1940, an advance of 30 p.c.

Domestic exports to the United Kingdom in June totalled \$62,752,000 compared with \$53,894,000 in June last year, while the total for the first half of 1941 aggregated \$317,509,000 as compared with \$247,971,000 a year ago. June domestic exports to the United States were valued at \$51,910,000 compared with \$39,350,000 a year ago. The total for the first six months of this year was \$255,416,000 compared with \$191,849,000 last year.

Exports to other leading countries during the first six months of 1941 were as follows, with comparable figures for 1940 in brackets: British South Africa, \$15,317,000(\$13,124,999); British India with Burma \$16,347,000(\$4,055,000); British West Indies, \$13,030,000(\$6,574,000); Newfoundland \$8,004,000(\$4,080,000); Australia \$13,295,000(\$18,411,000); New Zealand \$4,959,000(\$4,575,000).

Other leading countries: Argentine \$3,292,000(\$2,939,000); Brazil \$4,015,000(\$2,477,000); China \$3,554,000(\$1,542,000); Cuba \$1,036,000(\$797,000); Egypt \$27,484,000(\$584,000); Japan \$1,334,000(\$6,922,000); Mexico \$1,825,000(\$1,962,000); Netherlands East Indies \$1,199,000(\$762,000); Philippines \$912,000(\$699,000).

Department Store Sales in June

Department store sales in Canada in June declined eight per cent below May but were 14 per cent higher than in the corresponding month last year. The increase over June last year is somewhat below the average increase recorded for earlier months, but the cumulative totals for the first half of 1941 stood 17 per cent above the first six months of 1940. Unadjusted indexes of sales on the base 1935-1939 equals 100 are 123.9 for June this year, 134.4 for May and 108.7 for June, 1940.

Railway Revenues in April

Canadian railways earned \$41,866,809 in April as against \$29,915,744 in April 1940. With the exceptions of 1928 and 1929 this was the highest April earnings of the railways and was more than twice the April 1933 revenues. Freight revenues were 39 per cent above April 1940 revenue and passenger revenue was up by 65 per cent. Total pay roll increased from \$16,239,586 to \$18,101,353 or by 11.5 per cent for an increase in the number of employees of 10,465 or 8.6 per cent.

Gross revenues of the Canadian lines of the Canadian National Railways increased by 43.8 per cent or from \$14,696,319 in April 1940 to \$21,136,921 and the operating income increased from \$669,084 to \$5,316,084. Two of the United States lines showed improvements over last year and two showed decreases. The system gross revenues increased from \$17,666,164 to \$24,648,899 and the operating income increased from \$1,004,835 to \$5,972,599.

Gross revenues of the Canadian Pacific Railway Company amounted to \$16,713,786 as against \$12,089,262 in 1940 and the operating income increased from \$1,946,080 to \$3,149,165 in 1940.

Cigarette Releases in June

More cigarettes were released for consumption in June than in the same month of any year on record. The total was 665,120,048 against 654,332,560 in the preceding month and 571,268,307 in June last year. The average release for the five years immediately preceding the war, namely 1934 to 1938, was 542,878,987.

The number released in the first half of this year was 3,808,680,650 compared with 3,696,589,068 in the same period of 1940, a gain of 3 per cent.

There were 15,322,344 cigars released for consumption during June as against 13,133,719 in the same month of 1940. This total was also greater than in any other June since 1930 when the number was 16,654,019. The average during the month of June for the five years immediately previous to the war was 11,673,849.

Canal Traffic In June

Traffic on the Sault Ste. Marie Canals, Canadian and United States locks, advanced to 14,673,373 tons in June from 13,455,390 in the corresponding month last year. East bound traffic totalled 12,644,792 tons compared with 11,075,584 and west bound traffic 2,028,581 tons compared with 2,379,806.

Total traffic using the Welland ship canal in June was 1,894,817 tons in comparison with 1,912,622 in June, 1940. St. Lawrence canals traffic totalled 1,000,660 tons as compared with 1,055,279 in the corresponding month last year.

Production of Concentrated Milk

The output of concentrated milk continues to advance and during the month of June production of all items totalled 30,343,608 pounds, an increase over the preceding month of eight per cent and a gain over June last year of 16 per cent. The combined output of all items in the six months ended June advanced to 121,134,728 pounds from 95,758,414 in the corresponding period of 1940.

Financing of Motor Vehicle Sales

The volume of financing of new and used motor vehicle sales in Canada in June declined one per cent in number but increased nine per cent in amount of financing compared with June of last year. There were 20,930 units financed in the latest month for \$9,675,460 compared with 21,159 vehicles for \$8,840,117 in June, 1940. During the first half of the current year, 107,575 new and used vehicles were financed for \$51,348,049, up 13 per cent in number and 25 per cent in dollar volume over transactions in the corresponding period of 1940.

Reports Issued During the Week

- 1- Telegraphic Crop Report, Prairie Provinces (10 cents).
 - 2- Weekly Index Numbers of Wholesale Prices (10 cents).
 - 3- Factory Sales of Milk Powders, June (10 cents).
 - 4- Production of Concentrated Milk, June (10 cents).
 - 5- Summary of Canal Traffic, June (10 cents).
 - 6- Car Loadings (10 cents).
 - 7- Advance Report on the Fisheries of Quebec, 1940 (10 cents).
 - 8- Operating Revenues, Expenses and Statistics of Railways, April (10 cents).
 - 9- Financing of Motor Vehicle Sales, June (10 cents).
 - 10- Summary of Canada's Exports, June (10 cents).
 - 11- Domestic Exports by Principal Countries, June (10 cents).
 - 12- Canadian Grain Statistics (10 cents).
 - 13- Department Store Sales, June (10 cents).
-

STATISTICS CANADA LIBRARY
BIBLIOTHÈQUE STATISTIQUE CANADA



1010729907