

## WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce



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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.

Due to a decline in the traffic handled in the Western Division, the adjusted index of carloadings on the base of 1926 receded from 104.9 in the preceding week to 99.7 in the week of August 21. The index was five per cent below the preceding week but 10.5 p.c. above the same week of last year. The gross receipts of the Canadian National Railway and of the Canadian Pacific Railway rose 23 p.c. and 43 p.c. respectively over the same week of 1940. The gross earnings of the Canadian National Railway since the beginning of the year were \$184.8 million compared with \$149.9 million in the same period a year ago. Comparable statistics for the Canadian Pacific Railway were \$132.5 million this year, against \$100,855,000 in the first 34 weeks of 1940. The net earnings of the Canadian Pacific at \$23.1 million during the first seven months exceeded the same period of a year ago by 8.1 million or 53.6 p.c.

The index of wholesale prices rose to a new high point for the last eleven years during the week ended August 22. The index was 91.8 against 91.4 in the preceding week and 82.7 in the same week of 1940. The sensitive index of food prices rose from 78.8 to 79.5.

Bank clearings were at a high level in the week under review. Wide increases were shown in all the larger centres over the same week of last year. The adjusted index rose from 115.2 in the preceding week to 118.7, the gains over the preceding week and over the same week of 1940 having been three p.c. and 30.4 p.c., respectively.

On the stock markets there was a noticeable broadening of trade interest but the advance in stock prices was of moderate proportions. The index on the base of 1926 rose from 73.8 to 74.0. A decline of 1.2 p.c. was shown from the same week of last year. The Federal Government had total revenues of \$96.1 million in July and expended \$146.7 million. In the first four months of the current year total revenues were \$484.3 million compared with total expenditures of \$439.0 million. The average discount price of treasury bills was 99.86, and the average yield at 0.551 p.c. was a new low point since the beginning of the war.

The weekly index based on the six above-mentioned factors was 114.8 in the week of August 23 against 115.1 in the preceding week. The standing one year ago was 104.1, an advance of 10.3 p.c. having been indicated. In comparison with the preceding week, the decline in carloadings was partially offset by advances in wholesale prices, bank clearings, and speculative factors. Five of the six factors, the exception being common stocks, recorded a gain over the same week of 1940.

A Weekly Index with Six Components on the base 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
August 23, 1941	99.7	91.8	144.9	118.7	74.0	29.2	114.8
August 16, 1941	104.9	91.4	144.9	115.2	73.8	18.4	115.1
August 24, 1940	90.2	82.6	139.7	91.0	74.9	19.3	104.1

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 trend. 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 Conditions in July

A majority of economic factors recorded advance in July over the preceding month. Further gains were shown in business operations and wholesale prices. The large amount of new business obtained by the construction industry was the main influence in raising the index during June. Advances in other lines were instrumental in maintaining that high position during the month under review. The index of physical volume of business has shown marked advance since the early part of 1939. The net result is that business operations are far more extensive than at any other time. The high levels of the last prosperity period culminating in 1929 have been greatly surpassed.

The factors indicating the trend of mineral production were mainly constructive in July as compared with the preceding month. The index of gold receipts rose from 131 to 144 and a considerable increase was shown in silver shipments. Coal production amounted to 1,187,000 tons against 1,153,000 in the preceding month.

The production of sugar was 109.7 million pounds against 102.4 in the preceding four-week period. The flour milling industry was particularly active in the latest month for which statistics are available. The index of inspected slaughterings rose from 128 to 140, gains being recorded after seasonal adjustment in each of the different classes of livestock. The output of factory cheese showed contra-seasonal declines, while some improvement was recorded in butter production after the usual adjustment.

An index of manufacturing activity based on animal products rose from 111 in June to 113 in the month under review. The forestry industry was more active, advance having been shown in newsprint, wood pulp and planks and boards. The outward shipments of the latter were 223 million feet against 169 million. The index for the industry rose from 117 to 140. Steel ingots and castings were manufactured in greater volume before seasonal adjustment, while some decline was shown in pig iron. The output of automobiles receded from 25,753 units to 24,654, but the reaction was less than normal for the season. The decline in contracts awarded was from \$85.7 million to about \$32 million, while a minor gain was recorded in building permits. The distribution of commodities as shown by carloadings was at a higher level in July. The number of cars loaded was 276,829 against 271,272, the index advancing nearly 12 points to 142. The highlight of the month was the expansion in exports, the value rising from \$146.8 million to \$170.9 million.

### Economic Conditions in July compared with the preceding Month and the same month of 1940

	July 1941	June 1940	July 1940
Physical Volume of Business .. 1935-39=100	*	135.3	120.9
Gold Receipts at Mint ..... Fine oz.	453,184	405,631	401,186
Silver Shipments ..... Fine oz.	1,926,162	1,452,257	1,827,175
Flour Production (June) ..... Bbl.	2,117,976	2,121,397	1,170,238
Sugar Manufactured ..... lb.	109,736,695	102,412,562	99,553,493
Canned Salmon Exports ..... Cwt.	2,616	9,512	11,415
Newsprint Production ..... Tons	293,483	237,697	332,689
Wood Pulp Exports ..... Cwt.	2,637,470	2,221,105	2,077,002
Planks and Boards Exported ... M. Ft.	223,186	169,316	243,617
Shingles Exported ..... Squares	345,064	310,917	243,181
Automobile Production ..... No.	24,654	25,753	14,468
Construction Contracts ..... \$	31,954,800	85,747,500	29,305,600
Exports ..... \$	170,907,283	146,222,378	101,463,170
Butter Output ..... lb.	39,336,498	40,636,806	40,106,416
Factory Cheese Production .... lb.	25,222,509	25,761,626	24,721,478
Inspected Slaughterings			
Cattle & Calves ..... No.	155,582	154,080	138,667
Sheep & Lambs ..... No.	64,269	39,947	60,481
Hogs ..... No.	374,159	402,302	335,815
Building Permits, 58 Cities .. \$	9,575,800	8,471,956	8,089,916

According to preliminary calculations a minor advance was shown in the index over June.



## World Wheat Situation

The end of the 1940-41 crop season has been marked by an expansion of wheat carry-over reserves in three of the four major wheat exporting countries. Australia alone was carrying less wheat on July 31, 1941, than a year earlier, and this was primarily due to the harvesting of an exceptionally small crop at the end of 1940. Canada's wheat carry-over mounted from 300 millions on July 31, 1940 to 480 millions at the end of July in 1941. The United States July 1 carry-over rose much less sharply from 292 millions in 1940 to 387 millions in 1941. Total Argentine wheat supplies at July 31, including wheat on hand for domestic use as well as export, rose from 70 millions in 1940 to 160 millions in 1941, while Australian wheat stocks declined from 130 millions to 70 million bushels over this same period. When the carry-over stocks of the four major exporting countries are considered in combination, there has been a net increase of 305 million bushels in the combined stocks of the four countries over the past year.

Against this increase in the stocks position, the new-crop production of the four countries together is very unlikely to exceed the 1,722 million bushels produced in the 1940-41 season, and based on present early indications, will probably total around 100 millions less than last year's volume in the present crop season. The United States definitely has a larger crop than last year. The August 10 official estimate placed the crop at 951 million bushels, and a mid-August official estimate added two millions to the previous figure for the four principal spring wheat states. The present total of 953 millions exceeds last year's production by 136 million bushels. While the first official estimate of the 1941 Canadian wheat crop will not be issued until September 10, early private estimates have indicated that this year's production will fall at least 250 million bushels below the 1940 production, and may go lower.

So far as the southern hemisphere countries are concerned, any attempt at present to evaluate the 1941 crop outturns must be purely speculative, beyond indicating the crop prospects in light of present conditions. Weather conditions in Argentina so far have been very favourable for the new crop. Abundant pre-seasonal moisture has left a good reserve of subsoil moisture supplies. If average weather conditions continue, and pre-harvest frosts are avoided, this year's crop may be as large, or larger than the 1940 production of 271 million bushels. In Australia, the surface moisture situation is reported as still satisfactory, although there are very little subsoil reserves, and Victoria and New South Wales are in need of heavy rains if present conditions are to be maintained. Despite the existing uncertainty for the crop, it would take another weather disaster to repeat the low production of 83 million bushels harvested in 1940, and the present condition still warrants a substantially higher prospective figure for 1941. Depending on the turn the crops in the southern hemisphere countries take is the extent to which this year's production in the four exporting countries may partially offset the increase in carry over stocks.

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## Wheat Stocks in Store

Canadian wheat in store on August 22 amounted to 462,319,824 bushels compared with 463,008,305 on August 15 and 292,874,536 on the corresponding date last year. The amount in store in elevators in Canada was 432,488,167 bushels compared with 431,529,744 a week ago and 261,662,168 last year. Canadian wheat in the United States totalled 29,831,657 bushels compared with 31,478,561 last week and 31,212,368 in 1940.

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## Overseas Export Clearances of Wheat

During the week ending August 22 the export clearances overseas of Canadian wheat amounted to 2,549,269 bushels compared with 1,947,543 in the corresponding week last year. The total for the three weeks ending August 22 was 8,407,435 bushels compared with 4,513,546 in the corresponding period of the previous crop year.

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## Primary Movement of Wheat

Wheat receipts in the Prairie Provinces during the week ending August 22 amounted to 5,359,940 bushels compared with 3,625,532 in the previous week and 10,717,256 in the corresponding week last year. Totals follow by provinces, with 1940 figures in brackets: Manitoba, 1,455,737 (2,753,195) bushels; Saskatchewan, 2,961,436 (6,195,539); Alberta, 1,442,767 (1,766,522).



Marketings in the three Prairie Provinces during the three weeks ending August 22 aggregated 10,300,221 bushels compared with 17,634,221 in the corresponding period of the previous crop year. Totals follow by provinces: Manitoba, 2,743,282 (4,411,361) bushels; Saskatchewan, 4,772,656 (8,985,776); Alberta, 2,859,403 (4,237,034).

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#### Canada's External Trade in July

The value of Canada's external trade in July eclipsed any previous monthly total on record, aggregating \$296,608,190 as compared with \$261,746,093 in June and \$190,959,406 in July last year. Contributing to this position were marked advances both in imports and domestic exports. Imports rose to \$127,707,343 in July from \$114,923,572 in June and \$89,496,233 in July, 1940, while domestic exports advanced to \$169,684,572 from \$145,356,592 in June and \$100,732,062 a year ago. These figures do not include gold.

Canada's balance of commodity trade was favourable to the extent of \$43,193,512 in July compared with a favourable balance of \$31,898,663 in June and a favourable balance of \$11,966,940 in July last year.

Duty collected in July this year totalled \$12,871,773 compared with \$11,696,502 in June and \$10,491,348 in July a year ago.

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#### Gold Production in June

Gold production in Canada in June amounted to 453,967 fine ounces valued at \$17,478,500 compared with 449,185 valued at \$17,293,622 in the previous month and 451,964 valued at \$17,400,614 in June, 1940. Production during the first six months of 1941 aggregated 2,636,246 fine ounces valued at \$101,495,471 compared with 2,575,980 valued at \$99,175,230 in the first half of 1940.

June production was as follows by provinces, with 1940 figures in brackets: Ontario, 268,100 (274,962) fine ounces; Quebec, 87,591 (81,511); British Columbia, 55,047 (56,992); Manitoba and Saskatchewan, 27,078 (21,407); Northwest Territories, 4,785 (4,102); Nova Scotia, 1,622 (3,015); Yukon, 9,733 (9,955).

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#### Production of Leading Minerals

Production of leading minerals in Canada during the five months ended May was as follows, with corresponding figures for 1940 in brackets: cement, 2,392,252 (1,799,168) barrels; clay products, \$2,103,636 (\$1,513,904); coal, 7,283,265 (7,104,896) tons; feldspar, 7,234 (7,582) tons; gold, 2,182,259 (2,124,016) fine ounces; gypsum, 434,069 (340,215) tons; lime, 330,457 (272,286) tons; natural gas, 19,255,695,000 (18,432,415,000) cubic feet; petroleum, 4,054,969 (3,023,931) barrels; commercial salt, 95,684 (83,512) tons; silver, 8,102,427 (8,895,610) fine ounces.

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#### Canadian Production of Iron and Steel

The Canadian production of pig iron advanced to 102,005 tons in July from 95,924 in July last year, raising the average daily output to 3,290 tons from 3,094. Production for the first seven months of 1941 rose to 727,556 tons from 645,551 in the corresponding period of 1940.

July production of steel ingots and castings moved up to 197,316 tons from the July 1940 output of 169,577 tons. Output of steel castings in July this year amounted to 9,147 tons. During the first seven months of this year 1,345,751 tons of steel were produced against 1,127,823 in the same period of 1940.

Output of 17,599 tons of ferro-alloys in July compares with 14,699 in June and 9,257 in July, 1940.

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#### Stocks of Raw and Refined Sugar

Stocks of raw and refined sugar in Canadian refineries on August 9 totalled 164,213,437 pounds, an increase of 67,843,625 over the corresponding figure for 1940. Refined sugar stock was also heavier, amounting to 145,162,307 pounds compared with 122,228,004 in the same period of 1940.

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### Canadian Fisheries Production

The value of production of the fisheries of Canada in 1940 was \$45,113,757 compared with \$40,075,922 in the preceding year. These totals represent the value of the product as marketed, whether sold for consumption fresh, or canned, dried, etc. The 1940 value is the highest recorded since the year 1930. To the total value in 1940 the sea fisheries contributed \$38,910,056, or 86 per cent, and the inland fisheries, \$6,203,699, or 14 per cent.

The salmon fishery is of chief importance with a total marketed value of \$14,170,496 of which \$13,757,091, or 97 per cent, is credited to the renowned salmon fishery of British Columbia. The salmon pack of British Columbia totalled 1,470,425 cases, valued at \$11,427,923, and that of all other provinces combined 1,010 cases at \$9,107, making a total pack for the Dominion of 1,471,435 cases valued at \$11,437,030. Herring with a product valued at \$6,256,508 moved upwards to second place on the list of the chief commercial fishes, while cod with \$4,984,504 is third and lobster with \$3,187,594 is fourth.

Fish marketed for consumption fresh, including fresh fillets, had a total value in 1940 of \$18,672,804, while the canned product was valued at \$17,872,776, and the dried at \$1,275,903, leaving a total of \$7,297,274 as the value of fish marketed in all other forms.

Among the provinces British Columbia takes first place in order of marketed value, with Nova Scotia second. The relation which the value of each province bears to the total for Canada is shown by percentage as follows: British Columbia, 48; Nova Scotia, 22; New Brunswick, 11; Ontario, 7; Quebec, 4; Manitoba, 4; Prince Edward Island, 2; and Alberta and Saskatchewan, each 1 per cent.

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### Canal Traffic in July

The tonnage of freight transported through the Sault Ste. Marie Canals, Canadian and United States Locks, broke all previous monthly records in July and crossed the 15,000,000 ton mark for the first time in history. The actual tonnage in July this year was 15,510,601 compared with 13,842,224 in July, 1940. Iron ore accounted for 12,007,723 tons of the downbound traffic as against 10,775,121 a year ago, while wheat increased to 39,898,148 bushels from 17,391,320.

Traffic on the Welland Ship Canal in July totalled 1,959,868 tons compared with 1,329,924 in July, 1940, while the St. Lawrence canals reported a tonnage of 1,042,760 compared with 1,122,961.

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### Tobacco Releases in July

Cigarettes released for consumption rose to a high point in July. The number was 772,165,478, second only to the 808,275,320 released in May last year. The gain over July 1940 when 648,304,543 cigarettes were released amounted to 19 per cent.

The average in the same month of the preceding five years was 637,523,110, a gain of 21 per cent having been indicated. The increase over June after seasonal adjustment was 8.5 per cent.

The revival in cigar smoking was indicated by an increase of 41 per cent in releases during July over the average for July in the preceding five years. Releases last month were 15,609,738 compared with 11,068,317 the average for July from 1936 to 1940. The gains over July 1940 and June last year were about two and four per cent, respectively.

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### Building Permits in July

The value of building permits reported to the Dominion Bureau of Statistics in July was \$12,216,493 compared with the revised total for June of \$11,668,324 and \$11,961,321 in July, 1940. In July this year new construction of all types accounted for 74.7 per cent of the total value while the percentage of new residential construction was 48.0.

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### Department Store Sales in July

Department store sales in Canada in July declined 17 per cent below June, but were 16 per cent higher than in July a year ago. Unadjusted indexes on the base 1935 to 1939 equals 100, stood at 102.2 for July this year, 123.7 for June and 88.0 for July, 1940. Cumulative totals showed a gain of 17 per cent in the first seven months of this year compared with last year.

### Births, Deaths and Marriages

Births registered in 67 cities and towns in July numbered 9,543, deaths 4,330 and marriages 6,110, as compared with 9,066 births, 4,361 deaths and 10,309 marriages in July last year, showing an increase of five per cent in births and decreases of one per cent in deaths and 41 per cent in marriages.

### Loadings of Revenue Freight in May

Revenue freight loaded at Canadian stations and received from foreign connections during May amounted to 10,193,342 tons compared with 8,314,129 in May, 1940, an increase of 22.6 per cent. The large increase in traffic was in agricultural products, which increased by 60.4 per cent. Total loadings of freight in Canada increased by 1,479,224 tons or 23.7 per cent, imports by 120,352 or 11.4 per cent and intransit freight destined to foreign points by 284,837 tons or 28 per cent.

### Factory Sales of Electric Storage Batteries

Sales of electric storage batteries and parts by Canadian producers were valued at \$1,464,707 during the second quarter of this year against \$1,422,194 in the previous quarter and \$1,130,490 during the corresponding period of 1940. Second-quarter sales this year included 221,014 batteries for internal combustion engines, 2,315 motor cycle batteries, 6,583 cells for farm lighting plants, 1,699 cells for railway service, and miscellaneous batteries, parts and supplies valued at \$405,147.

### Reports Issued During the Week

1. Car Loadings on Canadian Railways (10 cents).
2. Traffic Report of Railways, May (10 cents).
3. Factory Sales of Electric Storage Batteries, Second Quarter, 1941 (25 cents).
4. The Oiled & Waterproofed Clothing Industry, 1940 (15 cents).
5. Registrations of Births, Deaths and Marriages, July (10 cents).
6. Department Store Sales, July (10 cents).
7. The Linseed and Soybean Oil Industry, 1940 (15 cents).
8. Canadian Grain Statistics (10 cents).
9. Production of Iron and Steel, July (10 cents).
10. Summary of Canada's Imports, July (10 cents).
11. Imports by Principal Countries, July (10 cents).
12. Building Permits, July (10 cents).
13. Fisheries of New Brunswick, 1940 (15 cents).
14. Weekly Index Numbers of Wholesale Prices (10 cents).
15. Trade of Canada, July (10 cents).
16. Telegraphic Crop Report, Canada (10 cents).
17. Summary of Canada's Exports, July (10 cents).
18. Gold Production, June (10 cents).
19. Summary of Canal Traffic, July (10 cents).
20. Canada's Leading Mineral Products, May (10 cents).
21. Sales of Asphalt Roofing, July (10 cents).
22. Production of Asphalt Roofing, July (10 cents).
23. Sugar Report, July 19 to August 9, 1941 (10 cents).
24. Advance Report on the Fisheries of Canada, 1940 (25 cents).



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