

WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce

Vol. K - No. 36

Ottawa, Saturday, September 6, 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 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 gain in the railway traffic movement was less than normal for the season during the week of August 30. The adjusted index on the base of 1926 dropped from 99.7 in the preceding week to 94.4. Total loadings, however, showed a gain from 65,454 cars to 67,162.

For the last ten days of August the gross receipts of the C.N.R. rose 25.3 p.c. over the same period of last year. The gross earnings to the end of August were \$139.2 million against \$106.2 million in the same period of 1940. The gross operating revenue of the C.N.R. was \$8.6 million in the last ten days of August, a gain of 16.6 p.c. over the same period last year. Gross earnings during the 8 months were \$193.2 million against \$157.3 million in the same period of last year. The combined earnings of the two railways were \$332.4 million, a gain of slightly more than 26 p.c. over the first eight months of last year.

The distribution of commodities to ultimate consumers continued in heavy volume. Retail sales in July were 19 p.c. over the same period last year. Department store sales were 16 p.c. greater in the same comparison. July sales of new motor vehicles in Canada, excluding deliveries to the Dominion Government for war purposes, increased 37 p.c. in number and 55 p.c. in value over sales in the same month of 1940.

The index number of wholesale prices advanced slightly in the last week of August rising from 91.8 to 91.9. Gains were shown in animal products, textiles, wood and paper, while recessions occurred in crop products and chemicals. Minor advances were shown in sensitive commodities including manufacturing materials and foodstuffs. The gain in wholesale prices over the same week of last year was more than 11 p.c., the standing of the index at that time having been 82.7.

Dominion bond prices were steady during August, no appreciable change having been shown in the general average. The adjusted index of bank clearings rose from 118.7 to 126.1 in the week under review. The marked gain of 30 p.c. was shown over the level of the same week of 1940. Common stock prices recorded a minor advance, the index rising from 74.0 to 74.3. The decline from last year was 4 p.c. Speculative trading showed a gain in the week under review in both comparisons.

The weekly index reflecting the fluctuation in the above-mentioned factors rose from 114.8 to 114.9. The standing one year ago was 104.3, a gain of 10.2 p.c. having been indicated.

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

Week Ending	Car loadings	Whole-sale Prices	Capitalized Bond Yields 1	Bank Clearings 2	Prices of Common Stocks	Shares Traded	Weekly Index 3
August 30, 1941	94.4	91.9	144.9	126.1	74.3	33.4	114.9
August 23, 1941	99.7	91.8	144.9	118.7	74.0	29.2	114.8
August 31, 1940	85.0	82.7	139.9	97.0	77.4	23.6	104.3

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 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.

Economic Conditions in July

Advances in business operations and in wholesale prices resulted in a further increase in the national income during July. The gain over the average for July during the preceding five years from 1936 to 1940 was no less than 20 per cent. The total in the month under review was \$447,480,000 as compared with \$337,055,000, the average for that period. This comprehensive measure of the net value of the commodities and services produced by the economic enterprises of the country, both private and public, was 6.4 per cent greater in July than in the same month of last year when the total was \$420,643,000,000. The standing last June was \$436,066,000, the indicated increase having been 2.6 per cent.

The generating forces behind these increases in the flow of national income in recent months are bound up with Canada's war effort. The production of munitions and war supplies is reflected in the marked gain in commodity producing activities. Advances of about 12 per cent and five per cent were shown last month in this division over July 1940 and June of the present year, respectively. The total was estimated at \$226,875,000, the highest level during the period of monthly computation from January 1935 to the present.

Business operations due mainly to acceleration in enterprises connected with the war effort rose to a new high point during July. The index of the physical volume of business was 138.5, a gain of more than three points over the standing of the preceding month. The same index was 120.9 in July last year and the expansion has been fairly continuous since that time.

Mineral production recorded a considerable gain in the month under review, the index having been 146 against 125.6 in the preceding month.

The index of manufacturing production rose to a new high point at 155.1 against 141.1 in June. Manufacturing activities based on crop products showed considerable expansion. The flour milling industry was more active in the latest month for which statistics are available. The output of sugar rose from 102.4 million pounds to 109.7 million pounds. The gain in the index of tobacco releases was nine points to 117.8. A marked gain was shown in the imports of crude rubber.

Inspected slaughterings were particularly heavy in July, the index advancing nearly 12 points to 139.9. Cheese production showed contra-seasonal recessions while the output of butter was on a slightly higher level after seasonal adjustment. Moderate recession was shown in the operations of the textile industry from the high level of June. The consumption of raw cotton rose from 15.9 million pounds to 16.9 million. Recession was shown in the output of wool and rayon according to available data. The forestry industry was considerably more active, the index rising from 117 to 140. Further advance was shown in the operations of the iron and steel group. Imports of iron products rose from \$35.0 million to \$36.8 million. The recession in automobile output was less than normal for the season. Crude petroleum imports were 182.7 million gallons against 183.3 million.

The new business obtained by the construction industry dropped sharply in July from the high level of June. The index of electric power production was 130.8 against 123.3. Imports were valued at \$127.7 million against \$114.9 million, the index advancing from 144 to 167. The value of exports rose from \$146.8 million to \$170.9 million. The consequent gain in the adjusted index was from 182 to 213.

Economic Activity in July compared with the previous month

	1941	
	July	June
National Income, Million Dollars, Tentative Computation	132.8	129.5
Commodity producing	146.1	139.3
Commodity handling	140.3	139.3
Facilitating	111.1	110.8
Physical Volume of Business, 1935-1939=100	138.5	135.3
Industrial Production	150.2	149.3
Mineral Production	146.3	125.6
Gold, Mint receipts	143.7	130.9
Silver shipments	127.7	111.1
Asbestos exports	204.0	123.6
Coal production	124.3	115.9

Continued on page three

Economic Activity in July compared with the previous month

	1941	
	July	June
Manufacturing	155.1	141.1
Flour production	-	190.3
Outmeal production	-	116.8
Sugar manufactured	112.9	108.3
Inspected slaughterings	139.9	128.1
Cattle	124.1	113.4
Sheep	94.7	76.8
Hogs	169.3	156.6
Creamery butter	104.7	102.4
Factory cheese	113.9	123.8
Salmon exports	7.8	35.3
Tobacco	117.8	108.8
Cigar releases	131.0	125.7
Cigarette releases	116.9	107.7
Rubber imports	140.8	106.7
Boots and shoes production	-	138.1
Textiles	180.3	183.7
Cotton consumption	180.8	177.9
Wool imports	230.0	241.8
Silk imports	40.2	36.8
Rayon materials used	154.8 -	158.7
Forestry	140.2	117.0
Newsprint	114.3	107.3
Woodpulp exports	217.9	202.6
Planks and boards exports	136.9	99.7
Shingles exported	161.4	179.8
Iron and Steel	208.6	180.0
Steel production	192.6	201.5
Pig iron production	173.3	184.4
Iron and Steel imports	222.7	168.1
Automobile production	220.3	157.6
Coke production	140.5	129.2
Crude Petroleum Imports	138.4	123.8
Construction	133.2	292.3
Contracts awarded	127.1	341.0
Building permits	154.4	122.5
Cost of Construction	117.4	117.0
Electric Power	130.8	123.3
Distribution	118.4	111.3
Carloadings	141.7	130.0
Imports	167.3	143.9
Exports (excluding gold)	212.7	182.1
Producers' Goods	158.3	157.0
Consumers' Goods	119.9	119.9
Marketings -		
Grain and Live Stock Marketings	179.2	145.9
Grain Marketings	204.1	163.6
Wheat	205.3	173.3
Oats	137.3	130.3
Barley	247.3	13.6
Flax	149.4	64.5
Rye	133.7	108.3
Live Stock Marketings	122.0	105.3
Cattle	114.0	103.0
Calves	124.1	109.6
Hogs	152.9	120.5
Sheep	98.5	67.0
Cold Storage Holdings, 1st of following month	112.6	121.4
Eggs	121.6	119.8
Butter	108.6	124.6
Cheese	86.2	119.0
Beef	129.8	117.0
Pork	129.4	123.7
Mutton	197.0	135.3
Poultry	98.5	103.3
Lard	147.1	207.9
Veal	154.6	150.2

Overseas Export Clearances of Wheat

Overseas export clearances of Canadian wheat amounted to 2,915,228 bushels during the week ending August 29 as compared with 2,861,338 in the corresponding week last year. The accumulated total for the four weeks ended August 29 was 11,402,662 bushels compared with 7,374,886 in the same period last year.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces for the week ending August 29 totalled 7,629,179 bushels compared with 6,266,331 in the previous week and 15,120,395 in the corresponding week last year. Totals follow by provinces, with 1940 figures in brackets: Manitoba, 1,640,393(3,614,022) bushels; Saskatchewan, 4,250,597(9,079,696); Alberta, 1,538,189(2,426,677).

Marketings in the three provinces during the four weeks ended August 29 aggregated 18,416,211 bushels compared with 32,754,616 in the like period of the previous crop year. Totals were as follows by provinces, with 1940 figures in brackets: Manitoba, 4,718,877(8,025,383) bushels; Saskatchewan, 9,237,633(18,065,472); Alberta, 4,459,701(6,663,761).

Wheat Stocks in Store

Canadian wheat in store on August 29 totalled 466,149,615 bushels compared with 462,319,324 a week ago and 303,869,756 on the corresponding date last year. The amount in elevators was 438,088,494 bushels compared with 432,488,167 on August 22 and 272,360,464 a year ago. Canadian wheat in the United States amounted to 28,061,121 bushels compared with 29,831,657 a week earlier and 31,509,292 in 1940.

Hog Production in 1941

The 1941 hog production for Canada as a whole is being maintained at approximately the same record level as was achieved in 1940. The 1941 spring pig crop is estimated at 99.5 p.c. of last year's crop, and the total number of hogs on farms at June 1 this year is estimated at 101.9 p.c. of the 1940 total. In actual numbers there were 5,994,000 hogs on farms at June 1 as compared with 5,882,000 a year earlier, and the record number of 6,117,000 at December 1, 1940. The 1941 spring pig crop totalled 5,047,900 as compared with 5,073,200 last year.

The number on farms at June 1 this year was as follows by provinces, with figures for 1940 in brackets: Prince Edward Island, 54,400(43,200); Nova Scotia, 46,500(52,800); New Brunswick, 77,500(97,100); Quebec, 797,800(936,900); Ontario, 1,936,300(1,997,900); Manitoba, 502,700(498,700); Saskatchewan, 836,900(791,000); Alberta, 1,652,800(1,371,100); British Columbia, 88,800(83,100).

Country General Store Sales in July

Country general store sales averaged 13 p.c. higher in July of this year than last with all regions of the country participating in the upward trend. Sales during the seven months ending July averaged 7.8 p.c. higher than in the corresponding period of 1940.

Area Planted to Tobacco

The total area planted to tobacco in 1941 is slightly lower than the acreage in 1940. The preliminary estimate of 65,700 acres shows a reduction of approximately three per cent from the 67,900 acres planted in the previous year. An increase of five per cent in the area of flue-cured tobacco is more than offset by decreases of 27 p.c. in plantings of burley tobacco, 11 p.c. for cigar leaf and 31 p.c. for pipe types.

Weather conditions during August have been generally favourable for the tobacco crop which is maturing rapidly. Harvesting is general in all three provinces. Good average yields of fair quality leaf are expected from the flue-cured crops in Ontario and British Columbia. The burley crop will be considerably reduced from the 1940 production, and the quality of the crop as a whole will be only fair. Lower yields are expected from all types grown in Quebec, a decrease of 15 p.c. in the total production being indicated at the present time.

Trends in Food Distribution in July

Sales of establishments engaged in wholesale and retail food distribution were sharply higher in July, according to reports received by the Dominion Bureau of Statistics. Sales of 74 of the larger wholesale grocery houses averaged 35 per cent higher in July this year than last and were 14 per cent above the level recorded in June.

In the retail trade, sales of 979 chain store units in the food retailing field were 31 per cent higher in July this year than sales of 1,070 units operated in July a year ago, whereas sales of independent grocery and combination stores were 14 per cent higher than in July, 1940.

Stocks of Raw Hides and Skins

Stocks of raw cattle hides held by tanners, packers and dealers in Canada amounted to 387,455 at the end of July compared with 591,911 on the corresponding date last year. Calf and kip skins on hand totalled 586,875 compared with 644,681, goat and kid skins 106,588 compared with 4,190 and horse hides 14,122 compared with 15,842. There were also 54,124 dozen sheep and lamb skins in store compared with 45,170 dozen a year ago.

Sales of New Motor Vehicles in July

Sales of new motor vehicles in Canada in July this year, excluding deliveries to the government for war purposes, numbered 9,311 with a retail value of \$11,997,329 an increase of 37 per cent in number and 55 per cent in value over July 1940, when 6,818 units retailed for \$7,763,330. During the seven months ending July this year sales aggregated 88,164 valued at \$111,896,573 compared with 93,417 units selling for \$103,979,390 in the corresponding period last year.

After dropping below last year's level for two months, sales of new passenger cars in July again exceeded those of 1940. There were 6,306 new cars sold for \$8,250,099 in July compared with 4,542 retailing for \$5,177,521 a year ago. Sales of new trucks and buses numbered 3,005 valued at \$3,747,230 compared with 2,276 valued at \$2,585,809 in July last year.

Production of Petroleum and Natural Gas

The Canadian production of crude petroleum and natural gasoline rose to 843,134 barrels in May from the April total of 822,164. In May 1940 the output totalled 676,486 barrels. Canada produced 4,054,969 barrels during the first five months of 1941 compared with 3,023,931 in the corresponding period of 1940.

Natural gas production in May totalled 2,676,783,000 cubic feet compared with 3,069,276,000 in the previous month and 2,227,939,000 in May, 1940. Production during the five months ending May aggregated 19,255,695,000 cubic feet compared with 18,432,415,000 in the like period of 1940.

Index Numbers of Living Costs

The Dominion Bureau of Statistics index number of living costs on the base 1935-1939=100, rose from 110.5 on June 2 to 111.9 on July 2. Increases in foods, fuel, clothing and home furnishings and services accounted for the advance. Living costs on July 2 were 11 per cent above the August 1, 1939 level.

An index for 46 food items moved up from 112.5 to 116.6 following sharp increases in vegetables, meats and eggs. Dry groceries and dairy products also recorded moderate advances. The fuel index rose from 110.2 to 110.5, the increase being due mainly to an advance of 1.7 per cent in coke prices. Moderately higher prices for men's and women's wear and yard materials resulted in a slight upward movement in clothing prices from 114.9 to 115.1. An index for home furnishings and services rose from 112.1 to 113.0 between June 2 and July 2. The following sub-group increases accounted for the advance. Furniture from 116.1 to 118.0, textiles from 123.8 to 124.7, hardware from 120.2 to 121.5, dishes and glassware from 111.1 to 113.7 and cleaning supplies from 101.8 to 102.1.

Gold Mining Industry

Gold produced from Canadian ores in 1940 reached an all-time high record of 5,311,145 fine ounces valued at \$204,479,083. This represents an increase over the preceding year of 4.25 per cent in quantity and 11.05 per cent in value. Of the total output in 1940, Ontario mines contributed 3,261,638 fine ounces; Quebec, 1,019,175 fine ounces, and British Columbia, 617,011. Relatively smaller quantities were recovered from auriferous deposits in Manitoba, Yukon, Saskatchewan, Northwest Territories, Nova Scotia and Alberta. Production according to type of deposit or nature of recovery included 32.71 per cent from crude gold bullion bars produced at "gold mines"; 10.0 per cent from blister or anode copper; 4.61 per cent from copper-nickel matte, ores, slags, etc., exported; 2.12 per cent from alluvial deposits, and 0.56 per cent from base bullion made chiefly from silver-lead ores.

Accurate statistics relating to gold production in most foreign countries have been increasingly difficult to obtain since the commencement of the war in 1939. From data made available, it is estimated that Canada as a world gold producer ranked at least third in 1940 in the quantity of the precious metal produced. The Union of South Africa, with the great producers of the Transvaal field, ranked a definite first, while production in the United States, exclusive of output in the Philippine Islands, was estimated at approximately 4,803,231 fine ounces or some 502,914 fine ounces less than the Canadian total. Reliable data relating to gold production in Russia are unobtainable, but a conjectural total output of 5,000,000 ounces was reported for this country in 1939.

Commercial Failures in June

According to information received by the Dominion Bureau of Statistics under the provisions of the Bankruptcy and Winding-Up Acts, there were 84 commercial failures in Canada in June with estimated assets totalling \$953,883 and liabilities amounting to \$739,784. In June last year the number of failures was 102 with assets of \$613,984 and liabilities totalling \$906,922.

Wholesale Sales in July

Sales of wholesale trading establishments in Canada averaged 30 per cent higher in July of this year than last and were up five per cent from the immediately preceding month. Accordingly the index number on the base 1935-1939=100 rose to 147.0 from 140.6 in June and 112.8 in July, 1940. Sales during the seven months of this year averaged 16 per cent above the dollar volume of business for the corresponding period of last year.

Indexes of Retail Sales in July

Customers spent 19 per cent more in retail stores in July this year than last and eight per cent less than in the month of June. The general index of sales on the base 1935-1939=100 stands at 122.5 for July this year, 133.8 for June and 103.2 for July, 1940. Sales during the seven months ending July averaged 21.8 per cent higher than in the corresponding period of 1940.

Bank Debits to Individual Accounts

The amount of cheques cashed in the thirty-three clearing centres rose 23.6 p.c. in July over the same month of last year. However, in view of the heavy payments for the Victory Loan, the total was 19 p.c. lower than in June after seasonal adjustment. The July aggregate this year was \$3,241,706,647 compared with \$4,240,629,935 in June and \$2,622,547,472 in July last year. The total for the first seven months of this year was \$22,051,806,274 compared with \$19,624,238,007 in the same period of 1940, the gain being 12.4 per cent.

Debits by economic areas were as follows in July, with figures for the corresponding month last year in brackets: Maritime Provinces, \$75,364,669 (\$71,141,920); Quebec, \$907,053,456 (\$769,700,319); Ontario, \$1,426,403,990 (\$1,089,367,060); Prairie Provinces, \$622,220,753 (\$515,742,344); British Columbia, \$210,663,779 (\$176,595,329).

Financing of Motor Vehicle Sales in July

July financing of motor vehicle sales in Canada resumed the series of increases in corresponding-month comparisons with last year which characterised results for all months of 1941 with the exception of the immediately preceding month of June, when volume fell slightly below the June 1940 level. The number of new and used vehicles financed in July of this year totalled 19,518 having a financed value of \$9,104,830 compared with 17,506 units financed for \$6,764,906 in the same month of 1940. During the first seven months of this year there were 127,093 transactions involving an amount of \$60,452,679 compared with 112,941 contracts totalling \$47,779,611 a year ago.

Lime Production in 1940

Production of quick and hydrated lime in Canada during 1940 totalled 716,730 short tons valued at \$5,194,555 compared with 552,209 at \$4,003,514 in 1939. The 1940 output comprised 623,803 short tons of quick lime valued at \$4,421,758 and 92,927 short tons of hydrated lime worth \$772,797. During 1940, 568,479 tons of quick lime and 44,421 tons of hydrated lime were sold or used by lime producers for chemical purposes while the balance was sold or used for building, agricultural and other purposes.

Consumption of Scrap Iron and Steel

Scrap is one of the important primary materials of the iron and steel industry. In the manufacture of steel and iron castings it replaces pig iron ton for ton while in rolling and stamping mills substantial tonnages are re-rolled and re-shaped into a variety of commercial products. More than 1.8 million tons of scrap iron and steel were used in Canadian industry in 1940, this tremendous tonnage assuming special significance in wartime from the standpoint of conservation as well as from the fact that it would require about $3\frac{1}{2}$ million tons of iron ore, most of which must be imported, to supply this amount of new metal.

Scrap is anything of iron and steel that is the waste or by-product of manufacturing or that has been discarded on account of failure, obsolescence or other factors that have rendered it unfit for further use in its present form. It is rails that have been discarded, automobiles that have been scrapped, freight cars and locomotives that have been withdrawn from service, machines that have outlived their usefulness, turnings from machinery operations, waste from stampings, and so on.

Reports Issued During the Week

1. Consumption of Scrap Iron and Steel, 1924-1940 (10 cents).
2. Final Report on the Stocks of Canned Fruits and Vegetables, July 1 (10 cents).
3. The Lime Industry, 1940 (25 cents).
4. Financing of Motor Vehicle Sales, July (10 cents).
5. Indexes of Wholesale Sales, July (10 cents).
6. Commercial Failures, June (10 cents).
7. Monthly Indexes of Country General Store Sales, July (10 cents).
8. Survey of Hog Production as at June 1, 1941 (10 cents).
9. Bank Debits to Individual Accounts, July (10 cents).
10. Tobacco Crop Report (10 cents).
11. Prices and Price Indexes, July (10 cents).
12. Petroleum and Natural Gas Production, May (10 cents).
13. Sales and Purchases of Securities Between Canada and Other Countries, June (10 cents).
14. Fruit and Vegetable Crop Report (10 cents).
15. Car Loadings (10 cents).
16. Survey of Production, 1940 (25 cents).
17. Weekly Index Numbers of Wholesale Prices (10 cents).
18. Advance Preliminary Statement on Butter, Cheese and Eggs in Store in Principal Cities of Canada, September 1 (10 cents).
19. Stocks of Raw Hides and Skins, July (10 cents).
20. Monthly Sales of New Motor Vehicles, July (10 cents).
21. Current Trends in Food Distribution, July (10 cents).
22. Indexes of Retail Sales, July (10 cents).
23. Telegraphic Crop Report, Prairie Provinces (10 cents).



1010729913