

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:

The railway traffic recorded a considerable gain in the week of September 13th, the index on the base of 1926 equalling 100 advancing from 90.6 to 94.3. Appreciable increase was shown both in the Eastern and Western Divisions. The total traffic amounted to 70,421 cars compared with 61,552 in the preceding week. The increase was partially explained by the occurrence of a holiday in the first week of September. The gross operating revenues of the C.N.R. were 32 p.c. greater in the second week of September than in the same period last year. The cumulative gross earnings since the beginning of the year amounted to \$205.5 million against \$156.9 million in the same period of 1940. The primary load for all systems of the Ontario Hydro Electric Power Commission was 1,841,000 h.p. against 1,596,000 h.p. in August last year, an increase of 15.4 p.c. Export clearances of Canadian wheat amounted to 2.4 million bushels against 895,000 bushels in the same week last year.

The index of wholesale prices rose from 92.1 in the first week of September to 92.4 in the second week. The standing was higher than at any other time since February, 1930. The index was 63.0 in the same week of last year, the gain during the 12 months having been more than 11 p.c. While each of the eight main groups recorded increases over last year, the advance in animal products was outstanding. The index for the group was 78.8 one year ago, rising to 97.6 in the week under review.

The bond market was practically unchanged from the preceding week. The increase in the index of capitalized bond yields over the same period of last year was 3.2 p.c. The advance in bank clearings continued and the adjusted index moved up from 129 to 132. The increase over the same week of last year was nearly 39 p.c. An appreciable gain was reported in common stock prices, the advance in the index on the base of 1926 having been from 75.6 to 77.9.

The weekly index based on the above-mentioned factors rose 1.4 p.c. over the preceding week to 116.5 against 114.9 in the first week of September. The standing one year ago was 104.5, an increase of 11.5 p.c. having been indicated.

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 |
|----------------|---------------|-------------------|--------------------------------------|------------------------------|-------------------------|---------------|---------------------------|
| Sept. 13, 1941 | 94.8 | 92.4 | 144.9 | 132.0 | 77.9 | 43.7 | 116.5 |
| Sept. 6, 1941 | 90.6 | 92.1 | 144.9 | 129.2 | 75.6 | 43.7 | 114.9 |
| Sept. 14, 1940 | 83.2 | 83.0 | 140.4 | 95.0 | 63.6 | 48.5 | 104.5 |

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.

World Cost of Living Movements During the First Half of 1941

World cost of living indexes continue to follow the upward trends established earlier by wholesale prices. In the United States the June index of the National Industrial Conference Board was three per cent above December, 1940. Food prices were mainly responsible for this change. In Canada the official cost of living index advanced 2.3 per cent between December 1940 and June, 1941. Increases since June 1940 were 2.4 per cent for United States and 5.3 per cent for Canada.

In the United Kingdom the Board of Trade index mounted 2.6 p.c. in the first six months of 1941 as compared with 10.5 p.c. since June, 1940. The food index declined slightly and the only substantial increase was in the clothing group. The Mexican cost of living, after moving only fractionally higher in a year's time rose 1.6 p.c. in June over December, 1940.

Other increases noted for the first half of 1941 were: Iceland 9.2 p.c., Switzerland 6.9 p.c., Portugal 2.6 p.c. and New Zealand 1.2 p.c. Corresponding increases since June 1940 were as follows: Iceland 24.0 p.c., Switzerland 14.0 p.c., Portugal 9.8 p.c. and New Zealand four p.c.

Latest gains recorded by cost of living series since August 1939 were as follows: China 306.1 p.c., Iceland 50.5 p.c., United Kingdom 29.0 p.c., Switzerland 24.8 p.c., Japan 17.0 p.c., Canada 9.6 p.c., New Zealand 7.1 p.c., United States 4.7 p.c. and Mexico 2.7 p.c.

Railway Revenues and Expenses

Canadian railways earned 744,817,003 in June as against 736,913,950 in June, 1940. Operating expenses increased from 727,556,605 in June 1940 to 732,121,970 and the operating income was increased from 77,657,475 to 79,976,382. For the first half year gross revenues increased from 192,100,813 in 1940 to 244,643,932, operating expenses from 157,348,043 to 183,281,150 and the operating income from 26,472,980 to 46,892,549.

Gross revenues of Canadian lines of the Canadian National Railways increased from 19,597,675 in June 1940 to 21,951,108 in June this year or by 12 p.c. Operating expenses increased from 14,609,124 to 16,373,067 and the operating income from 4,575,549 to 5,116,141. For the first six months, system gross revenues increased from 113,681,551 to 141,715,488 and the operating income from 11,955,128 to 26,943,020.

Gross revenues of the Canadian Pacific Railway Company were up by 30.4 p.c. in June this year, or from 14,253,546 to 18,592,356, and with operating expenses up by 2,392,956 the operating income was increased from 2,923,055 to 4,068,304. During the first six months of 1941 gross revenues totalled 100,343,261 as against 75,641,753 in 1940 and the operating income increased from 12,636,008 to 19,919,694.

Gold Receipts at the Mint

During the first eight months of this year the Royal Canadian Mint received 3,423,941 fine ounces of gold compared with 3,290,803 last year, an increase of four p.c. While gold receipts at the Mint during August continued much greater than in pre-war years there was a small drop as compared with the same month of 1940. In August this year receipts were 450,878 fine ounces as against 444,033 in the same month of 1940 and 398,251 in August 1939.

The average receipts for the month of August during the five years previous to the war, i.e., from 1934 to 1938, was 313,401 fine ounces. The receipts showed recession from the high point of July, the index making allowance for seasonal tendencies having been 132.3 in August against 143.7 in the preceding month.

Economic Conditions in August

The majority of the factors indicating the trend of economic conditions showed gains in August over the preceding month. Wholesale prices extended the advance in evidence since the outbreak of hostilities. A higher point was reached than at any other time since the first quarter of 1930. Common stock prices were slightly stronger than in July, minor advances having been shown month by month since last May. Speculative trading was also at a higher level in the month under review. The bond market was steady, minor changes only having been recorded in high-grades since the beginning of the year. The present standing is slightly above the line of inter-war trend. Both demand and notice deposits showed increases at the beginning of August, following the marked decline in June. Notice deposits rose from \$1,467 million to \$1,489 million, and a considerable gain was also shown in demand deposits. An index based on the sum of the two classes of deposits rose from 129 to 133.3

According to preliminary calculations, business operations showed moderate recession in August from the high level of the preceding month. Gold receipts at the Mint were 430,878 fine ounces against 453,184 in July. Flour milling operations showed recession from the preceding month. The output of the sugar refineries receded from 109.7 million pounds to 91.5 million. The index of inspected slaughterings receded from 140 to 134. The number of hogs slaughtered was 367,270 against 374,159. Gains were shown in dairy production after the usual adjustment. The index of the cheese output rose from 113.9 to 115.2, while the gain in butter production was 104.7 to 107.9. The consumption of raw cotton was 14.6 million pounds against 16.9 million in July. The operations of the forestry industry were nearly maintained, the index receding from 131.0 to 129.8. Newsprint production was 293,054 tons against 293,483 in the preceding month. The exports of planks and boards rose from 223 million feet to 261 million. Declines were shown in the exports of woodpulp and shingles.

Construction contracts awarded were \$36.1 million against nearly \$32 million, the index advancing from 127 to 143. The increase in carloadings was less than normal for the season. The traffic amounted to 278,646 cars against 276,829. Domestic exports amounted to \$147.9 million against \$110.5 million in the same month last year. Recession, however, was shown from the preceding month, when the value of outward shipments was \$169.7 million.

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

| | | August, 1941 | August, 1940 | July, 1941 |
|---------------------------------|-------------|--------------|--------------|-------------|
| Physical Volume of Business .. | 1935-39=100 | (x) | 128.6 | 138.5 |
| Gold Receipts at Mint | Fine oz. | 430,878 | 444,033 | 453,184 |
| Silver Shipments | Fine oz. | 2,138,111 | 2,392,762 | 1,926,162 |
| Flour Production (July) | Bbl. | 2,116,896 | 1,222,975 | 2,117,976 |
| Sugar Manufactured | Lb. | 91,531,291 | 65,603,276 | 109,736,695 |
| Canned Salmon Exports | Cwt. | 3,667 | 42,800 | 2,616 |
| Newsprint Production | Tons | 293,054 | 316,807 | 293,483 |
| Wood Pulp Exports | Cwt. | 2,531,568 | 1,968,615 | 2,637,470 |
| Planks and Boards Exported | M Ft. | 261,132 | 281,529 | 223,186 |
| Shingles Exported | Squares | 309,893 | 307,728 | 345,064 |
| Construction Contracts | \$ | 36,123,900 | 40,747,900 | 31,954,800 |
| Exports, domestic | \$ | 147,939,000 | 110,548,000 | 169,685,000 |
| Butter Output | Lb. | 35,354,189 | 33,775,562 | 39,157,290 |
| Factory Cheese Production | Lb. | 23,628,354 | 24,000,808 | 25,221,201 |
| Inspected Slaughterings - | | | | |
| Cattle and Calves | No. | 146,962 | 132,325 | 155,582 |
| Sheep and Lambs | No. | 86,020 | 78,962 | 64,269 |
| Hogs | No. | 367,270 | 367,211 | 374,159 |
| Contracts Awarded | \$ | 36,123,900 | 40,747,900 | 31,954,800 |

(x) According to preliminary calculations a minor decline was shown in the index of the Physical Volume of Business from July.

Canada's Domestic Exports in August

A further marked increase was recorded in the value of Canada's domestic exports in August, the total being \$147,939,000 compared with \$110,548,000 in August last year, a gain of \$37,391,000. The total for the eight months ended August also moved sharply higher, the aggregate being \$1,029,991,000 compared with \$756,469,000 in the like period of 1940, an increase of \$273,522,000. These figures do not include gold.

Shipments of Canadian goods to the United Kingdom in August were valued at \$61,519,000 compared with \$46,690,000 in August, 1940, while the total for the eight months of this year was \$449,245,000 compared with \$336,415,000 a year ago. Domestic exports to the United States in August were valued at \$52,750,000 compared with \$42,572,000 a year ago, while the eight-month total was \$364,556,000 compared with \$276,106,000.

Increased shipments were made in August to British India, Straits Settlements, British West Indies, Newfoundland, Australia, Brazil, China, Egypt, Mexico, Netherlands East Indies, Peru, Uruguay and Venezuela. Included among the decreases were British South Africa, New Zealand, Eire and Japan.

Principal items of export in August follow, with 1940 figures in brackets: wheat, \$12,372,373 (\$9,413,354); wheat flour, \$5,951,564 (\$2,094,757); fish, \$2,433,282 (\$3,093,791); furs, \$1,961,290 (\$2,076,483); meats, \$6,280,690 (\$4,776,227); cheese, \$2,605,700 (\$3,193,034); planks and boards, \$8,645,791 (\$7,998,284); wood pulp, \$7,611,186 (\$6,202,427); newsprint, \$13,180,148 (\$14,340,766); automobiles and parts, \$15,119,224 (\$5,250,117).

Leading exports during the eight months of 1941 follow, with 1940 totals in brackets: wheat, \$111,384,028 (\$80,408,502); wheat flour, \$34,129,463 (\$18,268,692); fish, \$20,651,862 (\$18,701,795); furs, \$12,486,599 (\$11,244,872); meats, \$53,968,551 (\$40,004,516); cheese, \$7,426,491 (\$9,199,356); planks and boards, \$44,688,813 (\$40,191,859); wood pulp, \$53,813,844 (\$38,870,918); newsprint, \$96,810,275 (\$98,121,728); automobiles and parts, \$102,540,759 (\$29,634,922).

Instalment Sales in Department Stores

Instalment sales reported by 17 large department store companies in all parts of Canada for the first seven months of 1941 showed sharp upward tendencies when compared with 1940. While total sales of the department stores reporting averaged 17.7 per cent higher for the first seven months of this year, instalment sales over the same period were up 26.6 per cent.

Canadian Construction Industry in 1940

The Canadian construction industry was particularly active during 1940, according to a preliminary report issued by the Dominion Bureau of Statistics. The value of work performed by general, trade and subcontractors aggregated \$319,221,332 compared with the 1939 preliminary calculation of \$224,224,619, a gain during the twelve months of no less than \$94,996,713.

Of the work done during 1940, new construction accounted for a total of \$224,563,559 while the remaining \$74,657,773 referred to additions, alterations and repairs. Corresponding figures for 1939 were \$164,385,019 and \$59,839,600, respectively. The cost of materials used was \$185,841,313 in 1940 compared with \$131,076,908 in 1939.

The average number of wage-earners reported in 1940 totalled 70,369 compared with 56,258 in 1939, and wages paid for the respective years were \$83,706,311 and \$58,341,917. Salaried employees in 1940 were reported as 17,302 and earnings \$24,964,015 in comparison with 15,892 and salaries of \$21,562,350 in 1939. Total of employees in 1940 was 87,671 with salaries and wages amounting to \$108,670,326, while the respective figures for 1939 were 72,150 and \$79,904,267.

July Employment Situation

Continuing the steadily upward movement indicated since the opening of the year, employment at July 1 showed an exceptionally large advance, which resulted in a new all-time maximum index. The Dominion Bureau of Statistics tabulated returns from 12,567 establishments employing 1,574,866 men and women, an increase of 46,946 persons, or 3.1 per cent over the preceding month. As a result of this gain, the general index on the 1926 base as 100, rose from its previous high of 152.9 at June 1 to 157.6 at the beginning of July. It was then over 26 per cent above the figure of 124.7 indicated at July 1, 1940, when industrial activity was at a higher level than in any earlier July in the record. Since the opening of 1941, the index number of employment has risen by 23 points, or 17.4 per cent, a gain which exceeds that reported in the same period in any earlier year on the record.

The acceleration in manufacturing in 1941 has been impressive; the workers taken on by the co-operating establishments from January to July numbered more than 158,000, while the index has risen by over 30 points, or 21.3 per cent. In 1940, the advance in the same period was 12 points, or 10.2 per cent. In 1929 and 1937, when factory production attained its maximum volume in the pre-war period, there were gains of 13 points, or 12.1 per cent, and 16.6 points, or 13.3 per cent, respectively, from January to July; the levels between which employment fluctuated in those years were also very much lower.

The increase in activity in iron and steel plants resulted in the absorption of an additional 10,100 persons by the co-operating establishments. This was the 18th consecutive gain in as many months, during which the index has risen by nearly 94 per cent to 210.7 at the latest date. Successive new all-time highs have been indicated in these industries month by month since August, 1940.

Among the non-manufacturing industries, communications, transportation, services, trade and construction and maintenance reported considerable expansion. The advance in most of these groups exceeded the average indicated at July 1 in earlier years of the record. In construction and services, however, the seasonal improvement was below normal. The trend of employment in logging and mining at the latest date was downward; in the former, the loss was seasonal, but in mining, it was contrary to the usual course in the early summer.

In the last week in June, the earnings of the 1,574,866 persons employed at July 1 by the establishments furnishing information amounted to \$40,246,036. This sum was higher by \$1,511,022 than that of \$38,735,014 reported as having been earned in one week in May by the 1,527,920 workers employed at June 1 by the same firms. The increase of 3.1 per cent in the staffs was thus accompanied by a gain of 3.9 per cent in the aggregate earnings, with the result that the average weekly earnings slightly advanced, rising from \$25.35 in May to \$25.56 in the same week in June.

International Trade in Securities Between Canada and Other Countries in July

The volume of the trade in securities between Canada and other countries moved higher in July, the value being \$14,243,985 compared with \$8,663,119 in June and \$7,532,881 in July, 1940. However, the trade during the seven months of this year was somewhat lower, totalling \$85,848,940 compared with \$160,754,303 in the corresponding period last year.

Sales during July totalled \$7,862,319 compared with \$5,405,921 in June and \$4,438,486 in July, 1940. Purchases in July amounted to \$6,381,666 compared with \$3,257,198 in June and \$3,094,395 a year ago. Sales during the seven months ended July aggregated \$49,759,161 compared with \$91,587,688 in the like period of 1940, while purchases totalled \$36,089,779 compared with \$69,166,615.

Overseas Export Clearances of Wheat

During the week ending September 12 the export clearances overseas of Canadian wheat amounted to 2,432,489 bushels compared with 895,149 in the corresponding week last year. During the six weeks ended September 12 the clearances totalled 15,295,857 bushels compared with 10,727,316 in the corresponding period of the previous crop year.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces during the week ending September 12 amounted to 5,722,447 bushels compared with 6,437,365 in the previous week and 16,573,954 in the corresponding week last year. By provinces the receipts were as follows, with 1940 totals in brackets: Manitoba, 381,573 (3,054,529) bushels; Saskatchewan, 4,143,006 (11,806,253) bushels; Alberta, 1,197,869 (1,173,172).

Marketings during the six weeks ended September 12 aggregated 31,219,401 bushels compared with 66,252,651 in the corresponding period of the previous crop year. Totals follow by provinces: Manitoba, 6,422,622 (13,130,204) bushels; Saskatchewan, 17,684,133 (40,935,575); Alberta, 7,112,646 (12,186,872).

Wheat Stocks in Store

Canadian wheat in store on September 12 amounted to 471,059,668 bushels compared with 470,648,304 on September 5 and 331,866,002 on the corresponding date last year. The amount in elevators in Canada was 445,100,510 bushels, while the stocks of Canadian wheat in the United States totalled 25,959,158 bushels.

Slaughtering and Meat Packing

The Canadian slaughtering and meat packing industry attained a high level of operations during 1940, with a value of production aggregating \$228,500,487, a gain over 1939 of \$43,304,354 or 23 per cent. Practically all kinds of meats increased in quantity, but pork products are the outstanding items with bacon and sides totalling over 275 million pounds valued at nearly \$50 million.

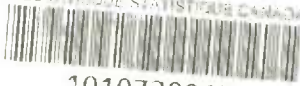
Production of Automobiles in August

Production of motor vehicles in Canada in August amounted to 17,192 units compared with 24,654 in the previous month and 13,993 in August, 1940. There were 3,160 passenger cars and 14,032 trucks included in the output in the latest month. During the eight months ending August a total of 194,717 motor vehicles were produced as against 139,408 in the corresponding period of 1940.

Reports Issued During the Week

1. Index Numbers of Wholesale Prices (10 cents).
 2. The Slaughtering and Meat Packing Industry, 1940 (10 cents).
 3. The Nickel-Copper Mining, Smelting and Refining Industry, 1940 (25 cents).
 4. The Salt Industry, 1940 (25 cents).
 5. Canadian Grain Statistics (10 cents).
 6. Automobile Production, August (10 cents).
 7. The Dyeing and Finishing of Textile Goods, 1940 (15 cents).
 8. The Musical Instrument Industry, 1940 (15 cents).
 9. Domestic Exports by Principal Countries, August (10 cents).
 10. The Argentine Grain Situation (10 cents).
 11. The Construction Industry, 1940 (25 cents).
 12. Instalment Sales in Department Stores (10 cents).
 13. Sales and Purchases of Securities Between Canada and Other Countries, July (10 cents).
 14. Preliminary Annual Report of Vital Statistics, 1940 (25 cents).
 15. Car Loadings (10 cents).
 16. Statistics Relating to Labour Supply Under War Conditions (25 cents).
 17. Operating Revenues, Expenses and Statistics of Railways, June (10 cents).
 18. World Price Movements, First Six Months of 1941 (25 cents).
 19. July Employment Situation (10 cents).
 20. Annual Report of Hospitals in Canada, 1939 (25 cents).
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