

WEEKLY BULLETIN

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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 now base of 1935-1939. Notes on the indexes follow:

Railway traffic showed a considerable gain in the week of September 20, the index on the base of 1926 rising from 94.8 to 96.2. Traffic in the first 38 weeks of the year was 2,267,000 cars against 1,984,000 in the same period of last year, a gain of 14.3 per cent. The gross operating revenue of the Canadian National Railway was 23.2 per cent greater in the elapsed portion of this year than in the same period of 1940. The gain in the revenue of the Canadian Pacific Railway in the same comparison was 30.5 per cent. The gross revenue of the two railways was more than \$364,000,000 against \$289,000,000 in the first 38 weeks of 1940. Consequently, the gain was more than 26 per cent. Export clearances of wheat were 18.2 million bushels from August 1st to September 19th, compared with 12.3 million a year ago. Receipts at country elevators in the three Prairie Provinces, however, were only 39 million bushels against 95 million in the same period of last year.

The index of wholesale prices rose from 92.4 in the preceding year to 92.7 in the week under review. Gains were shown in five of the eight main groups while the other three remained unchanged. The increase in the general index from the same week of 1940 was 11.7 per cent.

The adjusted index of bank clearings dropped from 132 in the preceding week to 124.8; the gain over the same week of 1940, however, was 34.6 per cent. August sales of department stores were 18 per cent greater than during July and 20 per cent more than during August, 1940. High-grade bonds were strong in the week under review, an index of capitalized bond yields showing a rise over the preceding week and over the same week of last year. An index of industrial bonds averaged 101.40 against 101.45 on the same day of the preceding week. Life insurance sales in August recorded an improvement of 20 per cent over the same month of last year. Sales amounted to \$29.6 million, gains in Saskatchewan and Manitoba amounting to 51 per cent and 30 per cent, respectively.

The weekly index based upon six factors was 116.1 in the week of September 20 against 116.5 in the preceding week, a decline of 0.4 per cent.

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. 20, 1941	96.2	92.7	145.3	124.8	79.9	54.6	116.1
Sept. 13, 1941	94.8	92.4	144.9	132.0	77.9	43.7	116.5
Sept. 21, 1940	86.1	83.0	140.3	92.7	82.7	25.3	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.

Pulp and Paper Industry in 1940

The manufacture of pulp and paper has been consistently one of the most important industries in Canada during the last quarter of a century and in 1940 the gross value of production reached a new high record level of \$298,034,843 as compared with \$208,152,295 in 1939. The 1940 production exceeded the previous record of \$243,970,961 established in 1929 by 22 per cent. New records were also established in the net value of products, the cost of materials and supplies used, the number of persons employed, the salaries and wages paid and the cost of fuel used.

Newsprint made up 81.1 per cent of the total reported tonnage of paper manufactured in 1940. Newsprint produced amounted to 3,503,801 tons with a value of \$158,447,311, as compared with 2,926,597 tons valued at \$120,858,583 in 1939, representing increases of 19.7 per cent in tonnage and 31.1 per cent in value. According to the Newsprint Service Bureau, the Canadian production of standard newsprint was over three times that of the United States in 1940, and formed 71.5 per cent of the total North American production of 4,784,825 tons. For the first six months of 1941 the Canadian output was estimated at 1,621,134 tons, a decrease of 20,853 tons or 1.3 per cent less than during the same period in 1940.

Increases were also shown in the production of all other kinds of paper. That of book, writing and other fine papers rose 13.9 per cent in quantity and 21.5 per cent in value; the tonnage of wrapping paper rose 27.1 per cent with an increase of 34.9 per cent in value; boards increased 20.8 per cent in quantity and 45.5 per cent in value; tissue paper showed gains of 14.6 per cent in volume and 21.2 per cent in value; miscellaneous papers increased in quantity by 28.1 per cent and in value by 30.5 per cent.

The apparent total production of pulpwood in 1940 was 8,499,922 rough cords valued at \$74,347,132 as compared with 6,899,986 rough cords in 1939 with a value of \$58,302,668, an increase of 1,599,936 cords or 23.2 per cent in quantity and 27.5 per cent more in value. Of the total 1940 production, about 82 per cent or 6,996,119 rough cords with a value of \$62,230,155 was manufactured into pulp in Canadian pulp mills while the remaining 18 per cent or 1,551,429 rough cords valued at \$12,521,880 was exported. The proportion of Canadian pulpwood exported in the raw or unmanufactured form fell from 22 per cent in 1939 to 18 per cent in 1940. The 1940 pulpwood importation was higher than in 1939, 47,626 rough cords entering Canada as compared with 25,694 in the previous year; these imports are relatively unimportant.

Canada's External Trade in August

Canada's external trade in August, excluding gold, was valued at \$288,409,726 compared with \$208,195,431 in August, 1940, an increase of \$80,214,295. The balance of commodity trade in August was favourable to Canada to the extent of \$12,582,786 compared with a favourable balance of \$14,523,715 in August last year.

Domestic exports in August advanced to \$147,939,357 from \$110,548,017 in August, 1940, foreign exports to \$2,556,899 from \$811,556 and imports to \$137,913,470 from \$96,835,858. Duty collections aggregated \$13,253,244 as compared with \$11,197,148 in August, 1940.

Stocks of Raw and Refined Sugar

Stocks of raw sugar in refineries in Canada on September 6 amounted to 127,111,149 pounds as compared with 109,445,306 on the corresponding date last year, an increase of 17,665,843 pounds. Refined sugar stocks totalled 133,666,696 pounds compared with 117,256,441, a gain of 16,410,255 pounds.

Stocks of Foreign Grain in Canada

Stocks of foreign grain in Canada on September 19 included the following, with corresponding figures for 1940 in brackets: United States grain -- wheat, 684,363 (872,271) bushels; corn, 3,347,094 (3,771,435); oats, 36,909 (59,008); rye, 23,578 (23,768); Argentine corn, 55,128 (1,047,223); South African corn, 359 (323,130).

Production of Petroleum and Natural Gasoline

The Canadian production of crude petroleum and natural gasoline in June amounted to 818,000 barrels compared with 843,134 in the previous month and 657,098 in June, 1940. Production during the first six months of this year aggregated 4,872,969 barrels, or 32.4 per cent above the output in the corresponding period of 1940.

Alberta produced 802,323 barrels in June, made up of 794,804 barrels from the Turner Valley field, 1,015 from the Red Coulee field, 2,612 from the Wainwright field and 3,892 from the Del Bonita, Lloydminster, Princess, Taber and Vermilion fields.

Production of Natural Gas in June

The June production of natural gas totalled 2,080,406,000 cubic feet compared with 2,676,783,000 in the previous month and 1,667,608,000 in June, 1940. The output for the first half of this year aggregated 21,336,101,000 cubic feet as compared with 20,100,023,000 in the like period of 1940.

Retail Sales of Gasoline in May

Retail sales of gasoline in Canada during May totalled 97,697,000 gallons as compared with 91,111,000 in May, 1940. Totals were as follows by provinces, with figures for May 1940 in brackets: Prince Edward Island, 533,000 (486,000); Nova Scotia, 3,565,000 (3,161,000); New Brunswick, 2,419,000 (2,101,000); Quebec, 15,181,000 (13,650,000); Ontario, 36,782,000 (34,457,000); Manitoba, 5,455,000 (4,456,000); Saskatchewan, 17,313,000 (16,177,000); Alberta, 10,419,000 (10,973,000); British Columbia, 6,030,000 (5,680,000).

Wheat Stocks in Store

The visible supply of Canadian wheat on September 19 totalled 472,866,892 bushels compared with 471,277,749 on September 12 and 357,896,037 on the corresponding date in 1940. The amount in elevators in Canada was 447,519,266 bushels, the balance of 25,347,626 being in storage in the United States.

Overseas Export Clearances of Wheat

Overseas export clearances of Canadian wheat amounted to 2,913,816 bushels during the week ending September 19 as compared with 1,532,713 in the corresponding week last year. During the seven weeks ended September 19 clearances aggregated 18,209,673 bushels compared with 12,260,029 in the like period of the previous crop year.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces during the week ended September 19 totalled 7,894,524 bushels compared with 5,745,447 in the previous week and 29,108,104 in the corresponding week last year. By provinces the receipts were as follows, figures within brackets being those for 1940: Manitoba, 1,044,927 (5,635,042) bushels; Saskatchewan, 5,446,304 (17,727,231); Alberta, 1,404,293 (5,745,831).

Marketings during the seven weeks ended September 19 aggregated 39,138,555 bushels compared with 95,360,755 in the corresponding period of 1940. Totals follow by provinces, with figures for the like period of 1940 in brackets: Manitoba, 7,467,549 (18,765,248) bushels; Saskatchewan, 23,131,067 (58,662,806); Alberta, 8,539,939 (17,932,703).

Building Permits

Returns from 174 municipalities show a value of building permits issued in August as \$12,134,018 compared with \$12,904,437 from 200 municipalities in July. The total value of permits issued by all municipalities during the first eight months of 1941 was \$88,695,678 of which 79 per cent was new construction. New residential construction was 44 per cent.

Department Store Sales in August

Department store sales in August increased 18 per cent over July and were 20 per cent greater than in August a year ago. Unadjusted indexes on the base 1935 to 1939 equals 100 stood at 120.2 for August this year, 99.8 for August 1940 and 102.2 for July, 1941. Cumulative totals showed a gain of 17 per cent in the first eight months of this year compared with last.

Among the gains shown for the various regions of the country the largest was a 28 per cent advance in the Maritime Provinces. Results for other sections of the country revealed gains of 23 per cent in Quebec, 22 per cent in Ontario, 19 per cent in the Prairie Provinces and 13 per cent in British Columbia.

Manufacturing Industries of the Maritime Provinces

Manufacturing production in the Maritime Provinces recorded an increase of 11.5 per cent during 1939 over the level reported in 1938, the gross value of production aggregating \$152,741,404 as compared with \$137,002,224.

Pulp and paper with an output valued at \$21,153,887 was again the leading industry from the standpoint of value of production. The output of primary iron and steel ranked second with a value of \$15,223,484, followed by fish curing and packing with \$10,616,267, sawmills \$8,708,750, railway rolling stock \$5,810,745, coffee, tea and spices \$5,175,901. Sugar and petroleum refining are also important in the Maritimes.

Saint John, New Brunswick with an output valued at \$20,986,480 was the leading manufacturing city in 1939. This was followed by Sydney, Nova Scotia with an output of \$20,062,146; Halifax, Nova Scotia with \$12,645,080; Moncton, New Brunswick, \$7,081,075; Dartmouth, Nova Scotia \$5,608,207; Trenton, Nova Scotia \$4,872,782; Liverpool, Nova Scotia \$4,676,002.

Radio Sales During the Second Quarter of 1941

Sales of radio receiving sets in Canada during April, May and June this year numbered 83,215 compared with 77,121 in the previous three month period and 85,937 sets in the corresponding quarter of 1940. Compared with last year's sales the number of sets sold in Ontario advanced to 38,790 from 37,278 and in Manitoba to 6,683 from 5,598, while declines were recorded for all other areas.

Canal Traffic in August

The freight traffic passing through Sault Ste. Marie Canals, Canadian and United States Locks continued heavy during August, amounting to 15,235,189 tons, which has been exceeded by only the July record of 15,510,601 tons. For August 1940 total traffic amounted to 13,713,289 tons. Traffic on the Welland Ship Canal totalled 1,858,135 tons as compared with 1,819,215 in August, 1940, while traffic using the St. Lawrence Canals amounted to 974,666 tons as compared with 1,007,968 tons.

Concentrated Milk Production

Concentrated milk production in August totalled 25,623,928 pounds, a decrease from July of 1,350,756 pounds or 5 per cent, but an increase over August 1940 of 4,720,736 pounds or 23 per cent. For the eight months ending August 31, the total output of all items was 173,733,340 pounds compared with 139,394,900 in the same period of 1940. The exports in August were 5,706,800 pounds compared with 8,837,200 in July and 7,423,900 in August, 1940.

Motor Sales Financing in August

New and used motor vehicles financed during August declined three per cent in number but increased 16 per cent in the amount of financing over August last year. There were 14,235 vehicles financed for \$6,620,390 compared with 14,639 units at \$5,714,000 in the same month of 1940. A five per cent decline below August 1940 in the number of used vehicles financed was the first decrease recorded in corresponding month comparisons in this field since September 1939.

Cost of Living

As announced some days ago the Dominion Bureau of Statistics cost of living index for Canada has risen 12.8 per cent between August 1939 and August 1941. This is the same as saying that it now takes 112.80 to buy what a \$100 would have bought in August 1939. The extra \$12.80 has been added largely because of higher food prices. Full details regarding the increase in cost of living are published in a report issued by the Internal Trade Branch of the Bureau.

Reports Issued During the Week

1. Building Permits Issued, August (10 cents).
 2. Production of Concentrated Milk, August (10 cents).
 3. Monthly Financing of Motor Vehicles Sales, August (10 cents).
 4. Review of Living Costs, August (10 cents).
 5. Car Loadings (10 cents).
 6. Fluid Milk Statistics, 1939-1940 (25 cents).
 7. Index Numbers of Electricity Costs, 1940 (25 cents).
 8. Summary of Canal Traffic, August (10 cents).
 9. Production and Sale of Radio Receiving Sets, Second Quarter, 1941 (25 cents).
 10. Manufacturing Industry of the Maritime Provinces, 1939 (25 cents).
 11. Department Store Sales, August (10 cents).
 12. Teachers' Salaries and Qualifications in Eight Provinces, 1940 (25 cents).
 13. Weekly Index Numbers of Wholesale Prices (10 cents).
 14. The Coal Tar Distillation Industry, 1940 (15 cents).
 15. Use of Electric Power in Manufacturing and Mining Industries, 1939 (25 cents).
 16. The Paper Box and Bag Industry, 1940 (25 cents).
 17. Traffic Report of Railways, June (10 cents).
 18. Petroleum and Natural Gas Production, June; Gasoline Sales, May (10 cents).
 19. Pulp and Paper Industry, 1940 (30 cents).
 20. Canadian Grain Statistics (10 cents).
 21. Trade of Canada, August (10 cents).
 22. Sugar Report, August 16 to September 6, 1941 (10 cents).
 23. The Adhesives Industry, 1940 (15 cents).
 24. Sales of Asphalt Roofing, August (10 cents).
 25. Production of Asphalt Roofing, August (10 cents).
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