

WEEKLY BULLETIN

Dominion Bureau of Statistics

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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:

Recession was shown in the railway traffic during the first week of October, the adjusted index of carloadings on the base of 1926 dropping from 93.0 in the preceding week to 90.3. The standing in the same week of last year was 84.7, a gain of 7 per cent having been indicated. The total loadings during the first 40 weeks of the year were 2.4 million, a considerable gain over the same period of last year. The Canadian National gross revenues rose 25 per cent during the first week of October over the same period of last year. The total amount since the beginning of the year was \$226.6 million against \$183.4 million in the same period of 1940. Export clearances of wheat were 23.3 million bushels during the crop year to October 3 against 15.5 million in the same period of last year. Primary marketings in the Prairie area were 6.1 million bushels in the week of October 3, against 24.7 million bushels in the same week twelve months ago.

An outstanding development was the further advance in wholesale prices, the official index advancing from 92.8 in the week of September 26 to 93.3 in the week under review. Five of the eight main subgroups recorded advances, while the others were unchanged. Minor advance was shown in the index of 18 sensitive commodities, the index rising from 80.5 to 80.9.

High grade bond prices remained steady during the first week of October, a minor advance having been shown over the same week of 1940. Bank clearings, indicating the trend of business activity, amounted to about \$474 million against \$359 million in the week of October 10 one year ago. The index was 106.4 against 99.7, a gain of 6.7 per cent. Temporary advance was shown in common stock prices, the index on the base of 1926 advancing more than one point to 77.9. The corresponding index of last year was 82.8, indicating a decline of nearly 6 per cent. The index of shares traded on the Montreal and Toronto Stock Exchanges was at a somewhat higher point than in the same period of 1940.

The weekly index reflecting the fluctuation in the six above-mentioned factors was 111.7 in the week of October 4 against 113.2 in the preceding week, a decline of 1.3 per cent. The recession was mainly due to lower levels in carloadings and bank clearings. The standing one year ago was 105.3, an increase of slightly more than 6 per cent having been indicated. Each of the indexes except common stock prices recorded a higher position than in the first week of October, 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
Oct. 4, 1941	90.3	93.3	145.3	106.4	77.9	35.8	111.7
Sept. 27, 1941	93.0	92.8	145.3	113.6	78.7	36.8	113.2
Oct. 5, 1940	84.4	82.9	140.3	99.7	82.8	20.3	105.3

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 During First Eight Months of 1941

The national income was \$3,446 million in the first eight months of the present year against \$3,118 million in the same period of 1940. The rise of 10.5 per cent or \$328 million represented the further stimulation of war conditions. Demand for munitions and war supplies was the main generating factor, while the greater purchasing power led to important acceleration in the production of consumer's goods. The advance in wholesale prices strongly in evidence during the present year was also an element enhancing the national income during the first eight months.

The economic expansion resulted in a national income higher than at any other time in Canada's history. As wholesale prices were somewhat higher in 1929 the rise of the national income to a new high point is an indication of the heavy volume of Canadian production in the present year. An estimate of the income originating in nine commodity producing groups was \$1,707 million in the period under review against \$1,462 million in the same period last year, a gain of 16.8 per cent. The rise in the commodity handling activities including trade transportation was 11.5 per cent to \$719 million. The facilitating group comprising finance, government and service, showed an increase of \$1,020 million, the total being exclusive of tangible assets acquired by the Dominion Government through war expenditure.

The index of the physical volume of business, a comprehensive measure of productive operations rose 12.6 per cent in the first eight months of this year compared with the same period of 1940. The index on the base 1935-1939 equalling 100 rose from 117 to 131.8. The index was recently at a higher level than at any other time. The standing in August was 141.2 which compared with 122.1 the highest point during 1929 the culmination of the last prosperity period. The level of August may be compared with 128.6 in the same month of 1940 and with 109.3 in August, 1939, the last peace-time month.

The decline in crop production in 1941 will not have the normal effect upon transportation and shipping facilities. Owing to the heavy carry over of wheat and other grains the movement to ultimate markets is now conditioned by the demand rather than by the fluctuation in the crop production of the present year. The primary movement of wheat to country elevators in the Prairie Provinces is now at a much lower level than in the same period of last year. The index of grain marketing at the head of the lakes and the Pacific Coast was 217.4 in August compared with 141.2 in the same month last year, but deliveries to country elevators show a reversal. The index of the sale of livestock on stockyards was 102.2 in August compared with 132.8 in the same month last year.

The manufacturing group was in the forefront of economic acceleration during the period under review. The index of output based on about thirty factors rose from 128.7 to 144.3, a gain of 12 per cent. The factors indicating the trend of mineral production recorded minor expansion during the elapsed portion of the present year. The index rose from 126.4 in the first 8 months of 1940 to 130.7. The index of employment showed a similar trend, the index advancing from 166.2 to 172.6, a gain of 3.9 per cent. The increase of gold receipts at the Mint was 4.3 per cent. A gain of 1.6 per cent was shown in coal production. Silver shipments on the other hand, were at a somewhat lower level.

The activity in the construction industry was indicated by a gain of 45 per cent in contracts awarded. The total in the first eight months of 1941 was \$283.5 million against \$195.5 million in the preceding year. Marked gains were shown in the employment in the construction industry. The index for building construction rose from 56.7 to 122.9, a gain of no less than 116.8 per cent. Highway construction also showed considerable acceleration. The general index of employment in construction rose from 72.3, a gain of about 50 per cent. A moderate gain was shown in the output of electric power. The total in the first eight months of 1941 was 21,033 million kilowatt hours against 20,084 million in the preceding year, the gain having been 4.7 per cent.

The productive activity of Canada is bound up with external trade. The flow of commodities across our international boundaries has shown a marked increase. Exports during the first eight months were \$1,042 million against \$767 million in the first eight months of 1940, an increase of nearly 36 per cent. The percentage increase of merchandise imports was of slightly lesser dimensions, the total having been \$910.9 million against \$682.4 million. The active balance of trade was consequently \$130.9 million against \$84.1 million in the first eight months of last year. A study of the trade with the United States and Britain indicates the extent to which materials are being imported from the United States and the expansion in shipments to British markets. Exports to the United States in the first eight months of 1941 were \$370.7 million against \$282.2 million in 1940. Imports showed a much greater increase from \$463 million to \$628 million. The

adverse balance with the United States was consequently \$257 million against \$181 million in the same period of 1940.

Exports to Britain were \$451.5 million during the period under review compared with \$336.9 million one year ago, a gain of no less than \$114.6 million. Imports from the United Kingdom also showed an increase from \$105.3 million to \$143.9 million. The so called favorable balance of trade with Britain this year was consequently \$307.6 million, an average of \$38.5 million per month. The net exports of non-monetary gold were nearly maintained this year as compared with the first eight months of 1940. The total was \$132.3 million against \$133.7 million.

Wheat Stocks in Store

The visible supply of Canadian wheat on October 3 totalled 476,842,312 bushels compared with 474,228,341 on September 26 and 411,324,465 on the corresponding date last year. The amount in store in elevators in Canada was 452,018,107 bushels, the balance of 24,824,205 being in storage in the United States.

Overseas Export Clearances of Wheat

Overseas export clearances of Canadian wheat amounted to 1,912,554 bushels during the week ending October 3 compared with 2,082,555 in the corresponding week last year. The accumulated total for the nine weeks ending October 3 was 23,303,716 bushels compared with 15,503,294 in the corresponding period of the previous crop year.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces during the week ending October 3 amounted to 6,086,116 bushels compared with 7,590,185 in the previous week and 24,692,214 in the corresponding week last year. Totals follow by provinces, with figures for 1940 in brackets: Manitoba, 705,387 (2,507,857) bushels; Saskatchewan, 4,014,657 (13,357,799); Alberta, 1,366,072 (8,826,558).

Markotings during the nine weeks ending October 3 aggregated 53,095,730 bushels compared with 154,521,233 in the corresponding period of the previous crop year. Totals follow by provinces, with 1940 figures in brackets: Manitoba, 9,491,105 (25,426,837) bushels; Saskatchewan, 32,131,000 (92,034,813); Alberta, 11,473,625 (37,059,533).

World Shipments of Wheat

World shipments of wheat during the week ending October 4 totalled 6,273,000 bushels as compared with 4,893,000 in the previous week and 3,752,000 in the corresponding week last year. Shipments during the nine weeks of the crop year aggregated 51,090,000 bushels as compared with 45,512,000 in the corresponding period of the previous crop year.

Stocks of Foreign Grain

Stocks of foreign grain in Canada on October 3 were as follows, with corresponding figures for 1940 in brackets: United States varieties - wheat, 330,455 (782,033) bushels; oats, 31,544 (45,887); corn, 3,309,874 (3,073,598); Argentine corn, 40,332 (972,776); South African corn, 359 (282,204).

Production of Butter and Cheese in September

The Canadian production of creamery butter in September rose to 32,415,274 pounds from last year's corresponding output of 26,527,919, or by 22.2 per cent. All provinces contributed to the increase. Output during the first nine months of this year aggregated 233,696,324 pounds as compared with 214,211,423 in the corresponding period of 1940, an increase of slightly more than nine per cent.

Cheese output in September was four per cent lower than in the corresponding month last year, the total being 20,056,232 pounds as compared with 20,882,140. Production during the nine months of this year aggregated 118,660,857 pounds compared with 118,415,253, a drop of 0.2 per cent.

Index Numbers of Living Costs

The Dominion Bureau of Statistics cost of living index advanced from 113.7 on August 1 to 114.7 on September 2, 1941. This index which has been specified as the basis for calculating cost of living bonus adjustments under Order-in-Council P.C. 7440 has increased 13.6 per cent between August 1939 and September, 1941. The increase in the September index again was due predominantly to food prices although clothing and home furnishings also advanced appreciably.

The food index moved up from 121.3 to 123.3 between August 1 and September 2, with all sub-groups except vegetables and cereals showing increases. Dairy products and eggs recorded the largest advances. Other group indexes moved as follows between the two dates noted above. Fuel and light from 110.5 to 110.9, clothing from 115.7 to 117.4, home furnishings and services from 114.3 to 115.8, and miscellaneous from 106.1 to 106.4. Rents remained unchanged at 109.7.

Wholesale Prices in September

Exactly equalling the rise of the preceding month, the weekly composite index of 567 commodity prices at wholesale advanced a further 0.9 points to 92.3 (1926=100) in the final week of September. Of the eight major sub-groups comprising the composite index, six showed increases led by fibres, textiles and textile products, up 1.6 points to 96.2, while vegetable products advanced 1.1 to 79.0, and animal products 1.3 to 98.1. Iron and steel products and non-ferrous metals were unchanged at 111.9 to 78.2, respectively. Accounting largely for group gains were sharp price increases for vegetable oils and tea in the vegetable group, raw furs and oils and fats in the animal group; and soap in the chemical group.

In the industrial materials index, the sensitive group of 13 commodities advanced from 79.3 in the final week of August to 80.7 at the end of September, and this was reflected in an increase of 0.7 points to 91.6 for the composite series. The stable group of 12 commodities held unchanged at 110.6. Canadian farm product prices gained slightly to 72.9 from 72.6, influenced by higher prices for grains and hay in the field product section. Animal products fell fractionally from 99.3 to 99.2 following declines in livestock, poultry, eggs and wool which more than offset a moderate increase for hides and skins and fresh milk.

Production of Coal and Coke

Coal production in Canada during August was recorded at 1,356,917 tons compared with 1,398,145 in August, 1940, while the total for the eight months of 1941 aggregated 11,002,960 tons as compared with 10,916,798 in the corresponding period of 1940.

Coke production in August amounted to 266,000 tons compared with 259,000 in the previous month and 257,000 a year ago. Output during the first eight months of 1941 aggregated 2,060,000 tons as compared with 1,975,000 in the like period of 1940.

Civil Aviation in June

A further increase was recorded in the number of passengers transported by civil aircraft in June when the total of revenue passengers was 17,551 as compared with 15,061 in May. The passenger miles flown advanced to 5,242,248 from 4,607,351. Revenue freight carried increased from 914,468 to 1,194,610 pounds and mail carried decreased from 274,748 to 254,898 pounds, but mail ton miles increased from 71,532 to 72,992.

Bicycle Manufacturing in 1940

Manufacturers of bicycles reported a marked up-swing in production in 1940 when 86,500 units were produced valued at \$1,763,895 as compared with 70,567 units valued at \$1,398,213 in 1939. Bicycle parts and accessories were produced to the value of \$402,474. Imports of bicycles were also heavier, rising to 5,965 units from 2,613 in 1939; the values were \$100,173 and \$45,883, respectively.

Reports Issued During the Week

1. Car Loadings (10 cents).
 2. The Tale and Soapstone Industry, 1940 (10 cents).
 3. The Bicycle Manufacturing Industry, 1940 (15 cents).
 4. Civil Aviation, June (10 cents).
 5. Coal and Coke Statistics, August (10 cents).
 6. Prices and Price Indexes, August (10 cents).
 7. Price Movements, September (10 cents).
 8. Monthly Review of Dairy Production, September (10 cents).
 9. Canadian Grain Statistics (10 cents).
 10. Weekly Index Numbers of Wholesale Prices (10 cents).
 11. The Anticipated Felt Production of Fur Farms, 1941-42 (10 cents).
 12. Economic Conditions in Canada, First Eight Months, 1941 (10 cents).
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