

WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce

Vol. L - No. 44

Ottawa, Saturday, November 1, 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:

During the first 43 weeks of the year marked increases were recorded in the railway traffic movement of grain, miscellaneous commodities and merchandise in less than carload lots. Considerable gains were also shown in forestry products including lumber, pulpwood and pulp and paper. The change in coal and other forest products was of minor character. Export clearances indicate that Canadian wheat in the present crop year is being exported in larger quantities than in 1940. From the first of August to October 17 this year shipments amounted to 28.2 million bushels against 18.2 million in the same period last year. The greater part of this wheat is moving to the British market. An expansion in the lumber industry is indicated by the announcement that there were 38,000 men working in the forestry group of Quebec against 32,000 in the same period of last year. It was forecast that about 90,000 men, if available, would be employed by the end of November.

The adjusted index of bank clearings was 97.6 in the week under review against 106.2 in the preceding week. The total clearings were estimated at nearly \$419 million against \$348.5 million in the same week of 1940. Montreal clearings increased from \$90 million to \$104 million, while clearings of Toronto rose from \$96 million to \$128 million. The index of common stock prices rose nearly a point to 75.8. The standing one year ago was 81.1 a decline of 6.5 p.c. having been indicated. More recently recession has been shown in the current period. An index of 20 industrials on the Montreal Stock Exchange receded from 61.9 to 61.2 during the week of October 30th. Twenty industrials on the Toronto Stock Exchange receded from 94.16 to 93.47 in the same period. Minor advances were shown in high grade bond prices over the preceding week and over the same week of 1940. The average yield of \$45 million Dominion of Canada Treasury Bills sold on October 30 was 0.546 p.c. The last preceding sale of bills two weeks ago was at an average yield of 0.542 p.c. The weekly index based on the six above-mentioned factors was 111.4 in the week of October 25 against 112.1 in the preceding week, a decline of 0.6 p.c. The standing 12 months ago was 101.8, an increase of 9.5 p.c. having been indicated.

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

Week Ending	Car load- ings	Wholesale Prices	Capitalized Bond Yields	Bank Clear- ings	Prices of Common Stocks	Shares Traded	Weekly Index
			1	2			3
October 25, 1941	96.0	93.7	145.6	97.5	75.8	27.2	111.4
October 18, 1941	93.4	93.6	145.3	106.2	74.9	27.2	112.1
October 26, 1940	84.8	83.5	141.2	75.8	81.1	33.3	101.8

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.

The World Wheat Situation

Interest at this time of year would normally be centered on the new crops in Australia and Argentina now within two months of the harvest period, but western Canada has remained prominently in the picture because of very unfavourable weather conditions. Snow in the northerly areas, particularly in the Peace River district, and persistent rains elsewhere, notably in Manitoba, have seriously hindered threshing operations and resulted in considerable damage to wheat and other grains. A wheat crop of less than average size is coming to market very slowly and the high quality measured by grading standards, which characterized the large 1940 crop, will be much less evident in the grain now being harvested.

Of the Southern Hemisphere crops it can be said that the situation in Australia is infinitely better than it was a year ago and the wheat yield may be almost double that of last year, while in Argentina the outlook is less favourable than it was twelve months ago. Latest cabled advices from Australia indicate that with the exception of the drought areas in New South Wales and Queensland the new crop outlook is quite favourable. Preliminary estimates of production are in the neighbourhood of 160 million bushels compared with 82.6 million bushels harvested last year. At the commencement of 1941, the unsold carry-over from the 1939-40 crop amounted to 25 million bushels, says a statement released by the Australian Wheat Board. To this was added 64 million bushels from the 1940-41 harvest but by mid-July only 42 million bushels remained for sale and of this amount 22.5 million bushels were earmarked for local and export flour requirements.

Argentine reports point to a smaller crop than was harvested a year ago. Frost hit the crops in sections of Santa Fe and Cordoba in the last week of September when they were in a vulnerable stage, and the resultant damage is estimated at 15 per cent of the total wheat area of the provinces affected. The second official estimate of Argentine wheat acreage shows, however, that the area sown to wheat was 260,000 acres larger than a year ago and this may offset to some extent the damage done by frost. The importance of October rains is emphasized in both official and unofficial reports and on these rains will depend the yield of wheat in most areas. It appears that high temperatures almost immediately followed the September frost and there was deterioration in areas where the moisture supply was deficient. Some relief was afforded by fairly general rains on or about October 4, but additional moisture is needed to ensure proper filling of the wheat,

In the United States an upward revision of the spring wheat crop to 276,228,000 bushels in the October estimate raised the total production of all wheat in 1941 to 961,194,000 bushels. The winter wheat September estimate of 684,966,000 bushels was undisturbed. Farm stocks of wheat on October 1 were placed at 492.3 million bushels and were the largest in any year of record extending back to 1926. Loans had been made on 255.5 million bushels of 1941 wheat up to and including October 11, but almost 22 p.c. or 54.9 million bushels of this wheat was stored on farms.

European crop news is somewhat scanty. Ploughing and seeding operations are progressing although the late harvest in some areas has delayed preparation of land for the new crop. There appears to be sufficient moisture in most areas to ensure germination of crops. Finland and Sweden report smaller crops than last year, the latter country indicating a decrease of 19 p.c., but Spain appears to have raised a larger wheat crop in 1941, although it is still substantially below the domestic requirements of that country. In Great Britain, the wheat crop is turning out better than expected and while the yield per acre may prove to be less than average, the increased area sown to wheat for the 1941 harvest is likely to result in a total yield above average. Weather has been favourable for fall ploughing and the seeding of new crops, and a further increase of 2,000,000 acres contemplated for grains for the 1942 harvest will go partly into wheat, although feed grains will get a substantial share of any new acreage planted. Efforts are being made to increase acreage this year in a number of European countries, particularly in the Balkans, but a shortage of labour may restrict this programme. The total European wheat crop is estimated by Broomhall at 1,480,000,000 bushels, compared with 1,430,000,000 bushels estimated a month ago by the United States Department of Agriculture. This new figure is substantially above the sub-normal production in 1940, but not as good as the average production of 1,516,000,000 in the five-year period, 1930-34 as computed by the United States Department of Agriculture.

Bread rationing in Italy became effective October 1, according to press cables. The new wheat crop in Italy, although slightly larger than last year's harvest was below expectation and insufficient to meet ordinary domestic requirements. The basic daily ration of bread is reported to be about $6\frac{1}{2}$ ounces rising to double that amount for workers engaged in heavy tasks. Italy in recent years has been consuming more than 290 million bushels of wheat annually but the production in 1941 is currently estimated at only 262.7 million bushels.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces during the week ending October 24 amounted to 13,332,287 bushels compared with 8,955,586 in the previous week and 16,189,654 in the corresponding week last year. By provinces the receipts were as follows, with 1940 figures in brackets: Manitoba, 2,918,868(1,188,623) bushels; Saskatchewan, 5,673,377 (6,617,166); Alberta, 4,740,042(8,383,865).

Marketings during the twelve weeks ending October 24 aggregated 82,183,250 bushels compared with 197,659,203 in the like period of the previous crop year. Totals follow by provinces, with comparable figures for 1940 in brackets: Manitoba, 14,770,354(29,089,485); bushels; Saskatchewan, 47,436,730(113,215,008); Alberta, 19,976,166(55,354,710).

Wheat Stocks in Store

Canadian wheat in store on October 24 totalled 496,682,840 bushels as compared with 485,125,568 on October 17 and 443,526,518 on the corresponding date last year. The amount in store in elevators in Canada was 471,801,962 bushels, the balance of 24,880,878 being in storage in the United States.

Overseas Export Clearances of Wheat

During the week ending October 24 the export clearances overseas of Canadian wheat amounted to 2,930,042 bushels compared with 741,734 in the corresponding week last year. The accumulated total for the twelve weeks ending October 24 was 31,098,867 bushels as compared with 18,901,910 in the like period of the previous crop year.

World Shipments of Wheat

World shipments of wheat during the week ending October 25 totalled 5,510,000 bushels compared with 5,476,000 in the previous week and 2,168,000 in the corresponding week last year. Shipments during the twelve weeks of the crop year aggregated 66,422,000 bushels compared with 56,624,000 in the corresponding period of the previous crop year.

Stocks of Foreign Grain

Stocks of foreign grain in Canada on October 24 included the following, with 1940 figures in brackets: United States varieties -- wheat, 830,455(1,157,756) bushels; oats, 27,779(22,487); rye 23,578(23,577); corn, 3,763,892(2,954,161); Argentine wheat, 14,058 (nil); Argentine corn, 42,382(1,235,028).

Canada's External Trade in September

The value of Canada's external trade in September, excluding gold, was almost \$90,823,000 in excess of the September 1940 valuation, the actual figures being \$279,887,786 and \$189,065,024, respectively. The total in the previous month was \$288,409,726. The balance of commodity trade was favourable to Canada in September to the extent of \$5,905,452.

Domestic exports in September were valued at \$139,975,612 compared with \$147,939,357 in August and \$101,439,603 in September, 1940. September imports totalled \$136,991,167 compared with \$137,913,470 in August and \$86,286,828 a year ago. Foreign exports in September were valued at \$2,921,007 compared with \$2,556,899 in August and \$1,338,593 last year.

Canada's Imports in September

Imports into Canada in September were valued at \$136,991,000 compared with \$86,287,000 in September, 1940, a gain of \$50,704,000. These figures are exclusive of gold. Merchandise imports from the United States in September totalled \$88,878,000 compared with \$63,361,000, while the total from the United Kingdom was \$13,369,000 compared with \$9,682,000. Purchases from the Straits Settlements increased sharply to \$9,002,000 from \$955,000 last year while from Colombia the import trade rose to \$2,019,000 from \$928,000. Imports from British Guiana totalled \$1,033,000 compared with \$679,000, British West Indies \$1,377,000 compared with \$550,000, Australia \$565,000 compared with \$1,609,000, New Zealand \$1,324,000 compared with \$229,000 and Brazil \$1,485,000 compared with \$587,000.

The following were among the leading commodities imported, with 1940 values in brackets: machinery other than agricultural, \$11,127,000(\$5,724,000); petroleum products, \$9,092,000(\$6,731,000); rubber, \$8,885,000(\$2,881,000); coal, \$7,129,000(\$4,642,000); vehicles, \$6,045,000(\$6,907,000); cotton, \$5,471,000(\$2,199,000); engines and boilers, \$4,681,000(\$953,000); rolling mill products, \$4,439,000(\$4,779,000); wool, \$3,590,000(\$2,117,000); sugar, \$2,676,000(\$2,430,000); farm implements, \$2,293,000(\$1,994,000); electric apparatus, \$2,189,000(\$1,741,000).

Bank Debits in Individual Accounts in September

The amount of cheques cashed by the branches of the chartered banks was \$3,301,000,000 in September against \$2,571,000,000 in the same month of last year. The increase of 28.4 per cent reflected the influence of the advances in business operations and in commodity prices. The latest available data indicate a marked increase in the index of the physical volume of business over the standing of 130.1 in September last year. The gain in the index of employment in manufacturing plants was from 134.5 to 172.9. The index of wholesale prices which had been 83.1 in September last year has risen to within seven points of parity with the base year of 1926.

Increases were shown in each of the five economic areas over the same month of 1940. The largest percentage gains were shown in Ontario and Quebec. The debits charged against individual accounts in the Maritime Provinces rose from \$62.7 million to \$78.4 million. In other words the total was one quarter larger than in the same month of last year. Gains were general in each of the 3 clearing centres of the economic area.

Cheques cashed at clearing centres amounted to \$28,502,000,000 in the first nine months of this year against \$24,653,000,000 in the same period of 1940. The consequent increase was \$3,849,000,000 or 15.6 per cent. Thirty-two of the 33 centres recorded gains over the same month of last year. The greatest percentage increase was recorded in Ontario followed by British Columbia.

Bank debits in Montreal rose from \$625.5 million in September, 1940, to \$853.9 million. An increase was also shown in Sherbrooke but the debits of Quebec were nearly maintained, the net result being that the provincial total rose from \$716 million to \$945 million, a gain of 32 p.c. Each of the centres in Ontario for which statistics are available recorded gains in September over the same month one year ago. The increase in Toronto was from \$689 million to \$962 million. The Ottawa total was \$284 million against \$198 million in September last year. The provincial total rose 40.5 p.c. to \$1,536 million.

Seven of the ten centres in the Prairie Provinces recorded gains in this comparison. The increase in Winnipeg was from \$311 million to \$337 million. The total for the 10 centres in the economic area was to \$540 million from \$531 million in September, 1940. The gain was limited to 1.7 p.c. Each of the three centres in British Columbia showed increases in this comparison, the provincial total having been \$200.9 million against \$168.3 million. Much of the gain was recorded in Vancouver, the debits of which rose from \$129 million to \$156 million. The gain in the province was 19.4 p.c.

Indexes of Retail Sales in September

September sales of retail trading establishments in Canada were up three per cent from August and were 21 per cent higher than in September a year ago. Unadjusted indexes of sales on the base 1935-1939 equals 100 stand at 137.4 for September this year, 134.1 for August and 113.9 for September, 1940. Cumulative figures for the first nine months of 1941 averaged 17 per cent above the corresponding period of 1940.

Major increases over September 1940 were recorded for all lines of business, percentage changes in sales ranging from 13 per cent for furniture stores to 25 per cent for jewellery stores. Department stores transacted 22 per cent more business in September of this year than last, results on a regional basis indicating increases of 31 per cent for the Maritime Provinces, 21 per cent for Quebec, 19 for Ontario, 23 for the Prairie Provinces and 28 for British Columbia.

Production of Steel and Iron in September

The Canadian production of steel ingots and castings totalled 200,559 tons in September compared with 202,746 in August and 164,515 in September, 1940. During the first nine months of this year the total was 1,749,056 tons compared with 1,464,548 in the like period of 1940.

Pig iron production in September advanced to 111,757 tons from the previous month's total of 105,795 and the September 1940 output of 105,020 tons. The total for the first nine months of this year was 945,108 tons compared with 839,456 in the same period of 1940.

Ferro-alloy output in September amounted to 16,912 tons compared with 16,251 in August and 13,147 in September, 1940.

Trade in Securities Between Canada and Other Countries during August

The trade in securities between Canada and other countries was somewhat higher in August than in the corresponding month last year, but showed decline when compared with the previous month. Sales and purchases totalled \$12,718,059 compared with \$14,243,986 in July and \$7,261,203 in August, 1940. Sales in September amounted to \$6,954,015 compared with \$7,862,319 in July and \$3,828,887 in August, 1940, while purchases amounted to \$5,764,044 compared with \$6,381,666 in July and \$3,432,316 a year ago.

For the eight months ended August the securities trade totalled \$98,566,999, sales amounting to \$56,713,176 and purchases \$41,853,823. In the corresponding period of 1940 the trade aggregated \$168,015,486, made up of \$95,416,555 in sales and \$72,598,931 in purchases. A large proportion of this trade was transacted between Canada and the United States.

Births, Deaths and Marriages in September

Births registered in 67 cities and towns having a population of 10,000 and over numbered 8,746 in September, deaths 4,157, and marriages 7,166 as compared with 8,525 births, 4,205 deaths and 6,155 marriages in September last year, showing increases of $2\frac{1}{2}$ per cent in births and $16\frac{1}{2}$ per cent in marriages, and a decrease of one per cent in deaths.

Births registered during the nine months ending September totalled 80,156, deaths 41,029 and marriages 47,200, as against 72,537 births, 39,966 deaths and 49,244 marriages during the corresponding period last year. This comparison shows increases of $10\frac{1}{2}$ p.c. in births and $2\frac{1}{2}$ p.c. in deaths, and a decrease of four p.c. in marriages.

Commercial Failures in August

According to information received by the Dominion Bureau of Statistics under the provisions of the Bankruptcy and Winding Up Acts there were 78 commercial failures in August with assets totalling \$560,257 and liabilities amounting \$675,002. In August last year the number was 86 with assets amounting to \$579,676 and liabilities at \$650,186.

Stocks of Raw and Refined Sugar

The amount of raw sugar in refineries through out Canada on October 4 was 113,345,831 pounds as compared with 143,591,697 on the corresponding date last year. Stocks of refined sugar cane and beet, totalled 127,693,860 pounds as compared with 111,661,733 on the same date in 1940. In the first forty weeks this year Canadian refineries have manufactured 779,367,254 pounds of refined sugar, an increase of 66,847,360 over the like period of 1940.

Reports Issued During the Week

1. Weekly Index Numbers of Wholesale Prices (10 cents).
 2. Imports by Principal Countries, September (10 cents).
 3. The Woodenware Industry, 1940 (10 cents).
 4. Monthly Indexes of Retail Sales, September (10 cents).
 5. Sugar Report September 13 to October 4, 1941 (10 cents).
 6. Bank Debits to Individual Accounts, September (10 cents).
 7. Trade of Canada, September (10 cents).
 8. Commercial Failures, August (10 cents).
 9. Summary of Canada's Imports, September (10 cents).
 10. Production of Asphalt Roofing, September (10 cents).
 11. Canadian Grain Statistics (10 cents).
 12. Sales and Purchases of Securities Between Canada and Other Countries, August (10 cents).
 13. Production of Iron and Steel, September (10 cents).
 14. Monthly Review of the Wheat Situation (10 cents).
 15. Births, Deaths and Marriages, September (10 cents).
 16. Carloadings on Canadian Railways (10 cents).
-



1010729921