

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

Railway traffic after seasonal adjustment recorded a further gain in the last week of October, the index rising from 96.0 to 99.5. The traffic amounted to nearly 73,000 cars, the volume being practically the same as in the preceding week. After seasonal adjustment the index rose to a new high point for the present period. The total traffic during the first 44 weeks of the year was 2,683,000 cars, a marked gain having been shown over 1940 and 1939. The index of the physical volume of business was 149.7 in September against 141.2 in the preceding month. A significant development was the rise in the index of the volume of manufactures from 164 in August to a new high point of 185.9 in September.

The index of wholesale prices was 93.7 in the last week of October against 93.6, the revised standing for the preceding week. Increases were shown in animal products and wood and paper, while other main groups remained unchanged. Sensitive commodities recorded recession during the week under review.

The high-grade bond market was slightly stronger in the week of October 31, the index of capitalized yields showing gains over the preceding week and over the same week of 1940. An index of 10 utility bonds traded on the Montreal market rose from 100.90 to 100.95 in the week of November 6. An average of 5 second-grade utilities and five papers recorded gains, while 10 industrials were unchanged during the same interval.

An index of common stock prices receded from 75.8 to 75.4, the indicated decrease from the same week of last year having been nearly 6 per cent. An index of 20 industrials traded on the Montreal Exchange receded from 61.2 to 60.3 on November 6. An average of 20 industrials on the Toronto Stock Exchange, on the other hand, rose from 93.47 to 94.33 during the same period. Ten base metals recorded a moderate gain, while recession was shown in golds and Western oils. The index of bank clearings rose from 97.5 to 102.6, a marked gain over the same week of last year.

The weekly index recording the fluctuations in the six above-mentioned factors rose from 111.4 in the preceding week to 113.3 in the last week of October, a gain of 1.7 per cent. The standing one year ago was 101.7, an increase of 11.4 per cent having been indicated. Four of the six factors recorded gains over the same week of last year, the speculative indexes including common stock prices and shares traded recorded declines.

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

Week Ending	Car loadings	Wholesale Prices	Capitalized Bond Yields 1	Bank Clearings 2	Prices of Common Stocks	Shares Traded	Weekly Index 3
November 1, 1941	99.5	93.7	146.8	102.6	75.4	25.2	113.3
October 25, 1941	96.0	93.6	145.6	97.5	75.8	27.2	111.4
November 2, 1940	81.5	83.6	141.2	79.8	80.1	33.4	101.7

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.

Production of Leather Footwear in September

The production of leather footwear in Canada continues to advance, the September output totalling 3,027,252 pairs, an increase of two per cent over the previous month and 22 per cent over the corresponding month last year. During the nine months ending September the production aggregated 23,833,552 pairs compared with 19,454,317 in the like period of 1940, an increase of 23 per cent. The output for the nine month period is only two and a half million pairs short of the total recorded for the full twelve months of 1940.

Economic Expansion in September

The national income was \$443 million in September, a gain of about 16 p.c. over the first month of the war period. The comparable amount in September, 1939 was \$383 million. The advance in the income of the Canadian people has been without important interruption during the two years. The industries engaged on commodity production recorded in the same comparison an increase from \$188 million to \$222 million. The distributive activities consisting of trade and transportation advanced from \$76 million to \$90 million, while the facilitating group embracing finance, government and service rose from \$120 million to \$132 million. The rise in the national income under prevalent conditions is a natural development characteristic of a war period. The production of plant equipment and munitions has shown extraordinary increase. The export trade in view of the heavy demand for war supplies in Britain has expanded by leaps and bounds. Financial factors have also been favourable to the increase in the national income. These include deficit financing by the Dominion Government for war purposes and the important increase in the money supply consisting of deposits and notes and subsidiary coin in the hands of the public.

The index of the physical volume of business, a comprehensive measure of the volume of productive operations, rose from 141.2 in August to 149.7 in the month under review. The rise in the general index was occasioned by marked gains in manufacturing, construction and electric power. Recessions, on the other hand, were shown in mineral production and distribution, the latter category including railway traffic and external trade. The index of imports increased about 1.5 points to 185.6, while a recession was shown in the export trade from the high level of the preceding month. The index of the output of producer's goods was 165.8 in September, an increase of about 4 points having been shown over the preceding month. The index of consumer's goods, while at a considerably lower level than that of producer's goods recorded marked gain in September over the preceding month. The standing was 134.7 against 121.5 in August.

The index of manufacturing production was 185.9 against 163.7, a new high point having been reached in the month under review. Important increases were shown in the activities of the meat packing, tobacco and textile industries, while the imports of crude rubber suggestive of conditions in the tire industry recorded a marked increase. The index of the forestry industry rose from 130 to 146 while that of the iron and steel group advanced about 20 points to 257.5. The index of crude petroleum imports advanced from 127.7 to 156.8. After seasonal adjustment the index of grain marketing in the Prairie Provinces receded to a low level reflecting the reduced shipment of the subnormal crop. Livestock marketings on the other hand were at a much higher level, the gain in the index having been about 18 points to 128.8.

The index of wholesale prices advanced from 91.8 in August to 93.2. The standing in this same month of 1940 was 83.0. A marked upward trend has been shown in wholesale prices since the outbreak of hostilities in September, 1939. The index of the cost of living on the base of 1935-39 rose from 107.0 on October 1 last year to 115.5 on the same date of 1941. The index has advanced 14.6 p.c. between August, 1939, the last peace-time month, and the present time. The increase during September was less than one point, marking a slow-up in the rate of increase.

Economic Activity in September Compared with the Preceding Month

	1941	
	September	August
National Income, Million Dollars, Tentative Computation....	443.0	443.0
Commodity producing	221.7	218.3
Commodity handling	89.7	94.1
Facilitating	131.6	130.6
Physical Volume of Business, 1935-1939=100	149.7	141.2
Industrial Production	171.2	156.1

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Economic Activity in September compared with the preceding Month Cont'd.

	1941	
	September	August
Mineral Production	126.0	140.9
Gold, Mint receipts	118.7	132.3
Silver shipments	52.0	110.4
Asbestos exports	172.0	140.6
Coal production	123.3	135.9
Manufacturing	185.9	163.7
Flour production	-	145.0
Oatmeal production	-	22.8
Sugar manufactured	107.2	85.3
Inspected slaughterings	150.4	133.8
Cattle	121.8	114.1
Sheep	97.6	95.2
Hogs	199.9	168.3
Creamery butter	119.0	107.9
Factory cheese	104.4	115.2
Salmon exports	204.7	8.2
Tobacco	151.9	134.4
Cigar releases	136.1	123.7
Cigarette releases	153.9	136.3
Rubber imports	763.1	390.9
Boots and shoes production	-	125.5
Textiles	182.4	174.3
Cotton consumption	203.1	156.6
Wool imports	211.2	237.4
Silk imports	30.5	39.2
Rayon materials used	158.7	160.3
Forestry	145.6	129.8
Newsprint	121.5	113.6
Woodpulp exports	220.7	201.3
Planks and boards exports	183.3	147.2
Shingles exported	127.4	121.6
Iron and Steel	257.5	237.4
Steel production	223.3	210.6
Pig iron production	139.3	168.2
Iron and Steel imports	278.9	251.5
Automobile production	286.0	268.3
Coke production	142.6	143.6
Crude Petroleum imports	156.8	127.7
Construction	169.5	147.0
Contracts awarded	168.7	141.7
Building permits	172.4	165.5
Cost of Construction	119.1	118.6
Electric Power	136.2	126.1
Distribution	113.0	115.6
Carloadings	125.0	130.6
Imports	185.6	184.1
Exports (excluding gold)	169.2	189.7
Producers' Goods	165.8	161.9
Consumers' Goods	134.7	121.5
Marketings -		
Grain and Live Stock Marketings	98.9	182.9
Grain Marketings	90.5	217.4
Wheat	80.0	213.8
Oats	100.4	170.7
Barley	229.5	321.7
Flax	363.4	236.5
Rye	285.6	227.1
Live Stock Marketings	120.3	102.2
Cattle	106.6	97.8
Calves	123.8	110.5
Hogs	168.3	116.4
Sheep	103.6	92.4

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Economic Activity in September compared with the preceding month
1941

	September	August
Cold Storage Holdings, 1st of following month	119.8	117.4
Eggs	101.6	119.8
Butter	113.3	108.3
Cheese	101.9	95.3
Beef	119.9	122.5
Pork	159.7	139.8
Mutton	157.4	270.6
Poultry	135.9	101.7
Lard	33.0	160.5
Veal	160.4	151.6

Production of Leading Minerals

The Canadian production of certain leading mineral products during the seven months ending July was as follows, with corresponding totals for 1940 in brackets: cement, 4,295,019(3,710,658) barrels; clay products, \$3,424,210(\$2,582,373); coal, 9,646,043 (9,518,900) tons; feldspar, 11,445(11,288) tons; gold, 3,092,396(3,033,310) fine ounces; gypsum, 755,369(722,152) tons; lime, 478,058(386,733) tons; natural gas, 23,293,133,000 (21,737,194,000) cubic feet; petroleum, 5,749,814(4,558,162) barrels; commercial salt, 157,484(128,205) tons; silver, 12,013,044(14,033,951) fine ounces.

Food Distribution in September

Firms engaged in the wholesale and retail branches of food distribution did considerably more business in September than in the corresponding month last year, according to returns received by the Dominion Bureau of Statistics. Sales of 75 of the larger wholesale grocery houses were 31 per cent higher in September this year than last. The 984 chain store units operated by chain companies in the food retailing field reported an up-swing in sales amounting to 32 per cent, while the 1,059 independent grocery and combination stores reported a gain of 17 per cent.

Indexes of Wholesale Sales in September

September sales of wholesale merchants in Canada gained 11 per cent over August and were 23 per cent above September, 1940, according to returns received from some 300 wholesale trading houses representing nine different lines of business. The index number on the base 1935-1939=100 stood at 170.8 in September compared with 156.6 in August and 133.2 in September last year. Cumulative figures for the first nine months of this year stand 19 per cent above the corresponding period of 1940.

Visible Supply of Wheat

Reaching a total of 502,411,643 bushels on October 31, the visible supply of Canadian wheat was at its highest level in the history of the grain trade. This figure represents the total available supply of Canadian wheat with the exception of stocks still held on farms and minor quantities in store in flour mills in eastern Canada. On January 26, 1941, the visible came close to the half billion mark when it reached a total of 495.8 million bushels but good export shipments steadily lowered the supply and the carryover of wheat on July 31, 1941 which included farm and eastern flour mill stocks was 480.1 million bushels, of which 463.8 million bushels were visible.

In the first nine weeks of the new crop year the visible increased very slowly due to a delayed harvest but in the last three weeks of October the figures rose more than 23 million bushels to reach the peak level of 502 million bushels. This figure compares with 443 million bushels visible at the end of October 1940 and is in contrast with 17.6 million bushels visible in the second week of August 1938.

It should be noted that of the 502 million bushels now visible, some 27 million bushels are in box cars in Canada and the U.S.A. or in boats on the Great Lakes, leaving about 455 million bushels in Canadian elevators and 20 million bushels in U.S.A. elevators. The total licensed elevator capacity in Canada is now approximately 598 million bushels including the temporary storage at the head of the lakes and elsewhere.

World Shipments of Wheat

World shipments of wheat during the week ending November 1 amounted to 4,635,000 bushels compared with 5,610,000 in the previous week and 4,256,000 in the corresponding week last year. During the first thirteen weeks of the crop year shipments aggregated 71,057,000 bushels as compared with 60,880,000 in the corresponding period of the previous crop year.

Stocks of Foreign Grain

Stocks of foreign grain in Canada on October 31 included the following, with figures for 1940 in brackets: United States varieties - wheat, 830,182(1,157,756) bushels; oats, 27,779(19,534); rye, 23,578(23,577); corn, 3,766,049(2,500,132); Argentine wheat, 32,193 (nil); Argentine corn, 41,348(1,158,505); South African corn, nil(567,029).

Overseas Export Clearances of Wheat

During the week ending October 31 the export clearances overseas of Canadian wheat amounted to 2,203,223 bushels compared with 2,609,404 in the corresponding week in 1940. The accumulated total for the thirteen weeks ended October 31 was 33,356,090 bushels compared with 21,511,314 in the corresponding period of the previous crop year.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces during the week ending October 31 amounted to 11,470,460 bushels compared with 13,205,315 in the previous week and 11,578,886 in the corresponding period last year. Marketings during the thirteen weeks ended October 31 aggregated 93,526,738 bushels compared with 209,238,088 in the corresponding period of the previous crop year.

Canadian Wool Production

Production of shorn wool in Canada reached a new peak in 1941, the preliminary estimate standing at 14,511,000 pounds compared with 13,822,000 in 1940 and 14,027,000 in 1932, the previous high point. The number of sheep shorn in 1941 is estimated at 1,925,300 with an average yield per fleece of 7.5 pounds compared with shearings of 1,860,500 sheep in 1940 and an average yield per fleece of 7.4 pounds.

Correspondents reported that 85 per cent of the 1941 clip had been sold or consigned for sale up to the end of June. The amount intended for use on farms was reported to be 3.5 per cent of the total, leaving 11.5 per cent of the clip still in farmers' hands.

Production of Flour in September

Canadian flour mills reported a normal flour production in September, the total being 1,647,910 barrels compared with 1,635,849 in the same month last year. The percentage of output to capacity was 74.6 compared with 76.2 a year ago. Exports amounted to 661,014 barrels compared with 550,754 in 1940.

Grains ground in September were as follows, with figures for 1940 in brackets: wheat, 7,415,830(7,401,774) bushels; oats, 2,040,330(1,115,764); corn, 265,260(196,067); barley, 309,869(252,786); buckwheat, 5,395(4,508); and mixed grain, 2,438,677(1,927,293).

Stocks of Raw Hides and Skins in September

Stocks of raw cattle hides held by tanners, packers and dealers in Canada amounted to 489,297 at the end of September compared with 432,029 for August and 589,714 on the corresponding date last year. Calf and kip skins on hand totalled 613,596 compared with 580,776 at the end of August and 701,582 in September, 1940. The number of goat and kid skins on hand was 95,382, horse hides 17,144 and sheep and lamb skins 774,960.

Cost of Living Indexes for October

The Dominion Bureau of Statistics cost of living index advanced from 114.7 on September 2 to 115.5 on October 1, 1941. This index which has been specified as the basis for calculating cost of living bonus adjustments under the new Order-in-Council P.C. 8253(replacing P.C. 7440) has increased 14.6 per cent between August 1939 and October 1941.

For the first time since last May, the food index declined fractionally but other group indexes all showed increases. The food index moved down from 123.3 to 123.2 between September 2 and October 1, due to small price reductions for dairy products, eggs and vegetables, while other food groups recorded minor increases.

The rent index advanced from 109.7 to 111.2 for October. Higher prices for coal and coke caused the fuel and light index to rise from 110.9 to 112.1. The clothing index moved upward from 117.4 for September to 119.6 for October, while home furnishings and services advanced from 115.8 to 117.3. The miscellaneous group index changed from 106.4 to 106.5, due mainly to an increase in gasoline prices.

Wholesale Prices in October

With the exception of a minor reaction in the third week, commodity markets showed steady strength during October. Reacting to a further sharp seasonal increase for eggs, coupled with higher prices for tea, coffee, cocoa and spices, potatoes, cured meats, cotton thread, wool worsted yarns and soap, the composite wholesale price index of 567 commodities moved up 1.0 per cent to 93.7 between the last week of September and the week ending October 24. Prices in the final week showed practically no change.

The industrial material price index showed a minor decline of 0.4 points to 91.0 in the first four weeks of October, reflecting lower quotations in the foods section, and to a lesser extent in the manufacturing materials group. The stable group was unchanged at 110.6. Canadian farm product prices advanced from 72.9 for the week of September 26 to 73.7 for the week of October 24. Accounting for the increase higher prices ruled for eggs, hides and skins, fluid milk and raw wool among animal products, and these more than offset lower prices for grains in the field products section.

Gold Production in August

The Canadian production of gold in August was recorded at 467,224 ounces compared with 456,650 in the previous month and 466,946 in the corresponding month last year. Output during the eight months ending August aggregated 3,560,120 ounces compared with 3,500,256 in the corresponding period of 1940.

Production by areas in August was as follows, with 1940 totals in brackets: Ontario, 274,555(279,176) ounces; Quebec, 91,936(85,528); British Columbia, 58,401(58,485); Manitoba and Saskatchewan, 24,873(22,313); Yukon, 10,485(15,070); Northwest Territories, 5,424(4,564); shipments from Nova Scotia to the Royal Canadian Mint, 1,543(1,791).

Sales of New Motor Vehicles in September

Excluding deliveries to the government for war purposes, there were 5,713 new motor vehicles sold in Canada for \$7,794,097 in September, up two per cent in number and 15 per cent in dollar value compared with September a year ago when 5,583 units were sold for a total of \$6,776,286. Cumulative totals for the first nine months of this year revealed sales of 101,099 vehicles valued at \$128,818,681, a decline of three per cent in number, but an increase of 11 per cent in dollar value over the 103,999 units sold for \$116,590,650 in the corresponding period of last year.

Sales of Asphalt Roofing

Sales of asphalt roofing in Canada in September included 310,409 squares of shingles, siding and roofing and 4,189 tons of felts and sheathing as compared with 319,316 squares of the former and 4,126 tons of the latter in the corresponding month last year. Sales in September this year were made up of 89,728 squares of asphalt shingles, 5,527 squares of asphalt siding, 139,960 squares of smooth surfaced roofing, 78,194 squares of mineral surfaced roofing, 2,840 tons of tar and asphalt felts and 1,319 tons of tar and asphalt sheathing.

Manufacturing in the Prairie Provinces

Manufacturing production in the Prairie Provinces in 1939 recovered from the minor recession reported in 1938, the gross value of production rising to \$282,335,234 from \$279,473,633, a gain of 6.8 per cent. Of the three provinces, Manitoba is the most industrialized, with manufactured products valued at \$134,293,595, Alberta was second with a production value of \$87,474,080 and Saskatchewan third at \$60,567,559.

Taking the three provinces as a unit, slaughtering and meat packing again led all industries in 1939 from the standpoint of value of production with an output valued at \$55,512,058. This was followed by flour and feed mills with a production of \$30,950,835 and butter and cheese with \$26,218,609. These three industries accounted for 40 per cent of the total production of the Prairie Provinces.

Other leading industries in the order named were: petroleum products, railway rolling stock, bread and other bakery products, printing and publishing, breweries, etc.

Fruit Production Estimates

The estimate of the Canadian apple crop has been reduced to 3,436,400 barrels, a decline of approximately 2 p.c. during the month. Insufficient development of the fruit in Nova Scotia and losses in Ontario resulting from the gales in September were slightly offset by more favourable conditions in Quebec. The estimates of the New Brunswick and British Columbia crops are unchanged.

The pear crop estimate is lower than a month ago, the decline being due to severe losses caused by the windstorm in Ontario. A crop of 510,400 bushels is now indicated. This is a reduction of 11 p.c. from the 576,300 bushel crop produced in 1940. The plum and prune crop, on the other hand, is now estimated at 342,700 bushels compared with the September estimate of 251,700 bushels. The increase is due almost entirely to an upward revision in the estimate of the British Columbia prune crop.

The prospective production of peaches in both Ontario and British Columbia is slightly above the September estimate, and the total crop for Canada is now raised from 855,200 bushels to 873,000 bushels. A slight increase in the estimate of the cherry crop in British Columbia brings the total for Canada to 222,800 bushels as compared with the 221,600 bushel crop indicated in September. An upward revision in the estimate production of strawberries in British Columbia increased the Canadian crop to 20,420,200 quarts compared with 19,656,200 quarts in September and 25,298,000 quarts in 1940.

Raspberry production declined from 8,719,900 quarts in September to 7,759,200 quarts, the revision being due entirely to a reduction in the British Columbia crop. The loganberry crop estimate of 2,329,600 pounds is slightly below the 1940 crop of 2,383,500 pounds. A downward revision of 10 p.c. in the estimate of the grape crop in Ontario this year reduces the crop for Canada to 47,565,000 pounds as compared with the 1940 crop of 52,727,200 pounds.

Reports Issued During the Week

1. Sales of Asphalt Roofing, September (10 cents). 2. Sales of New Motor Vehicles, September (10 cents). 3. Stocks of Raw Hides and Skins, September (10 cents). 4. Production of Leather Footwear, September (10 cents). 5. Manufacturing Industries of the Prairie Provinces, 1939 (25 cents). 6. Canadian Grain Statistics (10 cents). 7. Canadian Milling Statistics, September (10 cents). 8. Canadian Wool Production, 1941 (10 cents). 9. Gold Production, August (10 cents). 10. Carloadings (10 cents). 11. Preliminary Announcement of Population, No. 4 (10 cents). 12. Fruit and Vegetable Crop Report (10 cents). 13. The Brewing Industry, 1940 (25 cents). 14. Live Stock Survey, June 1, 1941 (10 cents). 15. Output of Central Electric Stations, September (10 cents). 16. Indexes of Country General Stores Sales, September (10 cents). 17. Weekly Index Numbers of Wholesale Prices (10 cents). 18. Monthly Indexes of Wholesale Sales, September (10 cents). 19. Current Trends in Food Distribution, September (10 cents). 20. Canada's Leading Mineral Products, July (10 cents). 21. Price Movements, October (10 cents). 22. Prices and Price Indexes, September (10 cents). 23. Advance Preliminary Statement of Stocks of Canadian Butter, Cheese and Eggs in Principal Cities of Canada, November 1 (10 cents).



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