

# 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:

The railway traffic was at a somewhat lower level in the first week of November, the index on the base of 1926 dropping from 99.5 to 96.9. Recessions were shown in both the eastern and western divisions from the last week of October. The traffic amounted to 69,572 cars against 59,492 in the same week last year. During the first forty-five weeks of the year the traffic was 2,753,000 cars compared with 2,416,000 cars in the same period of 1940. The gain of 337,000 cars mainly reflected the gains in miscellaneous commodities, grain and less than carload lots of merchandise. Considerable increases were also shown in lumber and ore, while pulpwood and pulp and paper were also loaded in larger amounts than in the same period of last year. Minor recessions were shown in coal and other forest products, but with these exceptions the eleven commodity groups were at a higher level than in the same weeks of 1940.

The production of newsprint was 318,787 tons during October, a gain of 2.8 per cent over the 309,957 tons in the same month of last year. The gain in shipments at 304,685 tons was 5.8 per cent. Production in the United States and Newfoundland recorded declines from the same month of one year ago.

Wholesale prices recorded a considerable advance in the first week of November, the index rising from 93.7 to 94.0. Advances were shown in crop and animal products as well as chemicals. A recession was noted in textiles, while other main groups remained unchanged. An index of 18 sensitive commodities was maintained at the level of the preceding week. An index of Canadian farm living costs showed an increase of 16.9 per cent since the outbreak of hostilities. This compares with a rise of 12.8 per cent in the urban cost of living. The recent fluctuation in the urban index, however, has reflected a greater advance.

A further increase was shown in high-grade bond prices, the index of capitalized yields rising 0.4 per cent over the preceding week. The gain over the same week of last year was 4.4 per cent. Common stock prices recorded a minor advance with the index on the base of 1926 rising from 75.4 to 75.7. Twenty industrials traded on the Montreal Stock Exchange recorded a further increase from 60.3 to 60.9 in the week of November 13. Twenty industrials on the Toronto Stock Exchange advanced from 94.49 to 94.53 during the same period. The adjusted index of bank clearings receded from 102.6 to 97.2. The standing one year ago however, was 78.2, the indicated increase having been 24.3 per cent.

The weekly index based on the six above mentioned factors was 112.2 against 113.3 in the preceding week, a decline of 1 per cent. The gain over the same week of 1940, however, was 9.9 per cent, the standing at that time having been 102.1. Four of the six factors recorded advances over one year ago, the exceptions having been common stock prices and speculative trading. The more important increases were shown in bank clearings, carloadings and wholesale prices.

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

Week Ending	Car loadings	Wholesale Prices	Capitalized Bond Yields	Bank Clearings	Prices of Common Stocks	Shares Traded	Weekly Index
Nov. 8, 1941	96.9	94.0	147.4	97.2	75.7	30.0	112.2
Nov. 1, 1941	99.5	93.7	146.8	102.6	75.4	25.2	113.3
Nov. 9, 1940	82.8	83.7	141.2	78.2	81.7	66.8	102.1

## September Employment Situation

Continuing the upward movement which has been indicated without interruption since the opening of the year, employment at the beginning of September showed another important expansion, according to data tabulated by the Dominion Bureau of Statistics from 12,633 establishments in manufacturing, mining, logging, transportation, construction, trade and services, chiefly hotels, restaurants and laundries. Their employees aggregated 1,627,055; this was an increase of 21,060 persons or 1.3 per cent over the number on their payrolls at the beginning of August. On September 1, 1940, the number of establishments reporting to the Bureau was 12,247 having at that time a total of 1,289,385 persons on their payrolls.

A brief comparison of the employment situation at September 1 this year with that indicated by employers at the outbreak of hostilities seems appropriate. At the outbreak of war, the number of persons employed by the co-operating manufacturers throughout the Dominion constituted 50.7 per cent of the total employees reported by firms in all industries, a proportion which has risen to 58 per cent of the much greater number of workers reported at September 1, 1941. In the 24 months of war, the recorded number of employees in manufacturing has increased by some 345,000, while the index has advanced by over 57 per cent. Meanwhile, employment in the non-manufacturing industries has gained by rather less than 15 per cent. Of the latter advance, a considerable proportion is due to activity in building and transportation, in both cases closely associated with the war effort.

Even more impressive than the expansion in manufacturing as a whole in the first 24 months of war, has been that indicated in the production of durable goods, in which 460,800 employees were reported by the firms co-operating at September 1, 1941; this was a gain of practically 98 p.c. since September 1, 1939. The index then stood at 100.4, while the latest figure is 198.7. The iron and steel industries in particular have shown extremely noteworthy increases, the index having risen from 94.1 at September 1, 1939, to 220.8 at the same date in the present year, or by 134.6 p.c.; the number now employed in iron and steel plants is more than double that in any other class of manufacturing. Employment in the production of electrical apparatus has risen by 70 p.c. in the last two years, and that of non-ferrous metal products by 85 p.c.

In the non-durable class, the expansion, though on a considerably smaller scale, has nevertheless been large, judged by pre-war standards. From 126.6 at September 1, 1939, the figure has risen to 168.3 at September 1, 1941, or by practically 33 p.c. Within this category there have been widespread and important gains, of which the greatest has taken place in chemicals, mainly to supply war needs. Employment in such plants has risen by 136.9 p.c., the index, at September 1, 1941, being 383.5. Possibly a clearer picture of the changes in employment in the consumers' goods group as a result of the war is conveyed if the figures for chemicals are eliminated; in this case, the index for the non-durable goods would be 158.0, an increase of 26 p.c. over the similarly constructed index of 125.0 at September 1, 1939.

In the non-manufacturing industries as a whole, there was no general change in the first year of war; logging was decidedly more active and mining, communications, transportation, services and trade showed generally moderate increases, but there was a decline in construction; this was largely due to curtailment in highway construction and maintenance in accordance with the policy of the various Governments to conserve resources by postponing all but essential work for the post-war period. In the second year of war, however, there was a general increase of some 15 p.c. in the non-manufacturing class, to which the various divisions contributed to a greater or less extent. The advance in construction as a whole in the two years has been very slight, due, as already explained to a slackening of road work; building, however, has been decidedly busier. The employment recently afforded in the latter has been largely in connection with the war effort, to meet the requirements of the expanding armed forces and to house war industries, many other classes of building construction having been curtailed as a result of the existing situation. Transportation showed a substantial gain, amounting to some 18 p.c. The improvement in trade is due, in the main, to the general increase in consumers' purchasing power resulting from the growing volume of employment.

Each of the provinces has reported a considerable increase in the number at work, the smallest gain being in Saskatchewan, where heightened activity in manufacturing, transportation and other industries has been largely offset by a contraction in highway work. The expansion as indicated in these general indexes for the provinces has been particularly outstanding in Ontario, where much of the heavy industry in the Dominion is situated; that in Quebec is also impressive, and would appear even more so were it not that the large programme of road work underway in 1939, has since been considerably curtailed. In manufacturing, however, the increase in Quebec is proportionately rather greater

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the index for such industries having risen by approximately 62 p.c., as compared with the gain of 60 p.c. in Ontario during the first 24 months of war.

Employment in the eight leading centres as a whole is more active than in any previous period, the index having advanced by  $44\frac{1}{2}$  p.c. since the outbreak of hostilities. This increase exceeds that of 36 p.c. reported generally in the Dominion. Nevertheless, an all-industries index for the cities as a unit continues below the general figure for Canada.

In the centres for which data are segregated, the growth has ranged from that of 32 per cent in Winnipeg, to 67.7 p.c. in Hamilton and 112.2 per cent in Windsor. In six of these eight cities, the expansion has been greater than that in the Dominion as a whole. This development is to be expected in view of the concentration of manufacturing in the larger centres. Thus, at the beginning of September, 50.1 p.c. of all those reported in manufacturing in Canada were in the eight leading cities. This proportion exceeds that of 46.7 p.c. indicated in September of 1939.

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#### Farm Family Living Costs, 1941 (Fall)

The 1941 fall index number of Canadian farm family living costs on the base 1935-1939=100 was 116.0 as compared with a spring index of 112.3. The eastern Canada index advanced 3.4 per cent to 116.7 and the western series 3.1 per cent to 114.9. These increases were appreciably less than the corresponding 4.7 per cent rise to 113.7 in the urban index. The 3.3 per cent increase in the general farm living costs index compared with a 3.7 per cent increase in the corresponding indexes of wholesale prices for Canadian farm products.

The principal increase between the spring and fall periods came in foodstuffs. The Dominion farm index for foods moved from 113.8 to 123.2 during this interval. The eastern index advanced 10.1 points to 125.1 while the western series increased 8.4 points to 120.3. This was less than the 11.2 point increase in the urban retail food price index.

The farm clothing index advanced further from 120.2 to 123.5 due mainly to continued increases in men's work clothes such as overalls and work trousers. Small advances in women's clothing and footwear had little effect upon the clothing index.

The farm fuel costs index moved up 2.0 points to 107.8, with the rise in the eastern index almost exactly double the increase in the western series since the beginning of the war. Western Canada coal prices have not advanced nearly as rapidly as those for Ontario and Quebec.

The household equipment index advanced 2.4 points from 115.7 to 118.1, the eastern series mounting 1.7 to 118.6, and the western series 3.4 to 117.4. The health maintenance index remained at 103.0 while the miscellaneous group gained fractionally from 102.4 to 102.5.

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#### Slaughtering and Meat Packing

The greatly increased output of the slaughtering and meat packing industry in 1940 sent the total value of production to \$228,500,487 from \$185,196,133 in 1939, a gain of 23.4 per cent. Meats sold fresh had a value of \$96,631,817, an increase of 13.5 per cent over 1938; meats cured, cooked and canned, a value of \$102,493,427, an increase of 43.7 per cent; lard and shortening, a value of \$12,823,535, a decrease of nine per cent; hides and skins, a value of \$7,239,869, an increase of 16.5 per cent.

Particular attention is centred at the present time on pork products. The quantity of pork sold fresh in 1940 increased over that of the preceding year by 18.5 per cent; salted pork increased by 95.2 per cent; hams by 16.8 per cent; shoulders by 14.9 per cent; and bacon and sides by 71.2 per cent. The total value of pork sold fresh and cured was \$106,316,638 compared with \$72,986,188 in 1939.

In order of value of output, Ontario lead all other provinces with Quebec second and Manitoba third. The relation which the product of each province bears to the total value for the Dominion is shown by percentage as follows; Ontario, 40.2; Quebec, 18.1; Manitoba, 16.5; Alberta, 13.7; British Columbia, 5.7; Saskatchewan, 4.5; and the provinces of Prince Edward Island, Nova Scotia and New Brunswick combined, 1.3 per cent.

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## Economic Conditions During Nine Months of 1941

Reflecting the stimulus of war conditions further advance was recorded in economic activity during the first nine months of the present year. The national income, the most comprehensive measure of material prosperity, was \$3,891 million in the first nine months against \$3,511 million in the same period of 1940. The considerable increase of nearly 11 per cent was mainly occasioned by activities connected with the war effort. The nine main branches of commodity production recorded an advance of 16.4 per cent in this comparison. The total income originating in this division was \$1,928 million against \$1,656 million in the same period of last year. The increase in the distributive activities including transportation and trade was 11.2 per cent. The facilitating activities embracing finance, government and service, showed a minor increase but the total is exclusive of tangible assets acquired by the Dominion Government through war expenditure.

An indicator of the more extensive use of natural resources brought about by war conditions is the advance in the index of the physical volume of business. The index averaged 133.8 in the first nine months of 1941, a gain of nearly 13 per cent over the high level of 118.5 reached in the same period of last year. The advances were general in the five main components. The most significant advance was shown in manufacturing production, the index advancing 18 points to 148.9.

The expansion of war plants and equipment was continued during the present year. Contracts awarded including all classes of construction rose from \$248 million to \$323 million, a gain of more than 30 per cent. The power industry operated close to capacity. The output was 23.9 billion kilowatt hours against 22.5 billion in the first nine months of 1940, a gain of 6.3 per cent.

The external trade of Canada stimulated by war conditions recorded a marked gain during the period under review. The export trade excluding gold amounted to \$1,185 million against \$869 million in the first nine months of last year, the gain having been 36.3 per cent. A similar percentage increase was shown in imports which rose from \$769 million to \$1,048 million. The excess of exports over imports was \$137 million against \$101 million in the same period last year. The net exports of gold excluded from the above statement were \$153.5 million against \$150.2 million in the comparable period of last year, a gain of 2.2 per cent.

The increase in purchasing power was reflected in a marked gain in retail distribution. The index of retail sales averaged 125.5 in the first nine months of the present year against 107.6 last year, a gain of 16.6 per cent. A marked increase was also shown in wholesale trade, the index on the base of 1935-39 having been 138.6 against 116.4 in the first nine months of last year.

The movement of commodities reflected by the records of railway traffic, showed an important increase in the period under review. The number of cars loaded was 2,344,396 compared with 2,055,866. The gross operating revenue of the two large railway systems amounted to \$429.1 million in the first ten months of the present year. The standing one year ago was \$340.1 million, a gain of 26.2 per cent having been indicated. The revenue of this year was greater than at any other time since 1929 when the total was \$443 million.

The gain in productive operations resulted in a higher level in the working forces. The general index of employment during the first nine months averaged 147.2 against 119.5 in the same period last year, a gain of 23.2 per cent. An even greater percentage gain was shown in manufacturing, the index moving up from 127 to 162, an increase of nearly 28 per cent. Building construction was more than twice as active as in the same period of last year. The index of mining rose from 166.8 to 174.2, a gain of 4.4 per cent. The employment in trade showed considerable gain, the standing having been 154.1 against 140.5.

The index of wholesale prices averaged 88.5 up to the fourth quarter of the present year against 82.6 in the same portion of 1940, a gain of slightly more than 7 per cent. The weekly index for commodity prices was 93.7 during the week of October 31 against 83.6 in the same week of the preceding year. Each of the 8 components recorded important increases in this comparison.

The gain in the index of the cost of living between August 1939 and the first of October was 14.6 per cent. The standing of the latest date was 115.5 compared with 114.7 at the beginning of the preceding month. During September the gain was less than one point, creating a precedent since May 1. The limited movement in September suggests a slowing-up in the rate of increase.

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### Visible Supply of Wheat

The visible supply of Canadian wheat on November 7 aggregated 503,308,445 bushels compared with 502,411,643 a week ago and 449,530,742 on the corresponding date last year. The stocks in elevators in Canada totalled 477,505,673 bushels, the balance of 25,802,773 being in storage in the United States.

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### Export Clearances of Wheat

During the week ending November 7 the export clearances overseas of Canadian wheat amounted to 2,346,270 bushels compared with 1,846,438 in the corresponding week last year. The accumulated total for the fourteen weeks ending November 7 was 35,702,360 bushels compared with 23,357,752 in the corresponding period of the previous crop year.

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### Primary Movement of Wheat

Wheat receipts in the Prairie Provinces during the week ending November 7 totalled 8,353,868 bushels compared with 11,680,720 in the previous week and 6,743,125 in the corresponding week last year. By provinces the receipts were as follows, figures in brackets being those for 1940: Manitoba, 1,463,592(591,186) bushels; Saskatchewan, 4,125,835(3,154,091); Alberta, 2,764,441(2,997,848).

Marketings in the three provinces for the fourteen weeks ending November 7 aggregated 102,090,866 bushels compared with 215,981,213 in the corresponding period of the previous crop year. Totals follow by provinces: Manitoba, 18,281,000(30,460,400) bushels; Saskatchewan, 57,308,391(120,925,283); Alberta, 26,501,475(64,595,530).

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### World Shipments of Wheat

World shipments of wheat during the week ending November 8 totalled 4,316,000 bushels compared with 4,635,000 in the previous week and 6,520,000 in the corresponding week last year. Shipments during the fourteen weeks ended November 8 aggregated 75,321,000 bushels compared with 67,400,000 in the corresponding period of the previous crop year.

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### Stocks of Foreign Grain

Stocks of foreign grain in Canada on November 7 included the following, with figures for 1940 in brackets: United States varieties - wheat, 830,182(990,035) bushels; oats, 25,897(8,240); rye, 23,578(23,577); corn, 3,602,997(2,526,550); Argentine corn, 16,467(1,260,303); South African corn, nil (779,946).

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### Crude Petroleum Production in August

Production of crude petroleum and natural gasoline in August amounted to 870,881 barrels compared with 876,845 in preceding month and 868,651 in August last year. Cumulative total for first eight months of 1941 aggregated 6,620,695 barrels, a 22 per cent increase over output of last year.

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### Natural Gas Production

Natural gas production in August was 1,988,729 thousand cubic feet as against 1,957,032 thousand in July and 1,582,755 thousand in August 1940. During the first eight months of 1941 the total production was 25,231,862 thousand compared with 23,319,949 thousand in the same period last year.

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### Gasoline Sales

Retail gasoline sales in July throughout Canada totalled 109,978 thousand gallons compared with 98,314 thousand in June and 93,329 thousand in July 1940. Sales by provinces in July were as follows, with 1940 figures in brackets: Prince Edward Island, 712,000(581,000) gallons; Nova Scotia, 4,323,000(3,979,000); New Brunswick, 3,222,000(2,955,000); Quebec, 19,847,000(17,056,000); Ontario, 43,993,000(38,244,000); Manitoba, 6,562,000(5,053,000); Saskatchewan 14,758,000(10,330,000); Alberta, 8,907,000(8,403,000); British Columbia, 7,654,000(6,728,000).

During the seven months ending July, sales of gasoline totalled 538,147,000 gallons compared with 458,766,000 a year ago.

#### Production of Coal and Coke in September

The Canadian production of coal in September amounted to 1,577,872 tons compared with 1,366,196 a year ago and the five-year average for the month of 1,347,667 tons. During the nine months ending September the output aggregated 12,580,832 tons as compared with 12,282,994 in the corresponding period of 1940.

Coke production in September totalled 263,000 tons compared with 266,000 in August and 252,000 in September, 1940, while the total for the nine months of this year was 2,323,000 tons compared with 2,227,000 in the like period of 1940.

Coal imports in September amounted to 2,913,136 tons, an increase of 40.6 per cent over last year, while the exports rose to 44,883 tons from 42,290. The September coal supply was estimated at 4,446,125 tons compared with 3,396,020 in September, 1940.

#### Earnings of Canadian Railways in August

Canadian railways earned \$46,523,645 during August as against \$37,408,735 in August, 1940. With the exceptions of 1928 and 1929 this is the largest August revenue on record. Operating expenses amounted to \$35,988,263, an increase of \$5,748,266 over expenses in 1940, and the operating income increased from \$5,166,490 to \$7,393,163. The total payroll amounted to \$21,420,331 for 149,676 employees compared with \$18,199,150 for 135,270 employees in 1940. The peak railway employment was in August 1928 with 190,894 employees and \$24,843,298 in total payroll. For the eight months ended August gross revenues increased from \$267,907,091 in 1940 to \$336,609,513 and the operating income from \$37,681,485 to \$61,547,372 in the eight months of 1941.

#### October Production of Butter and Cheese

The Canadian production of creamery butter in October totalled 24,896,331 pounds compared with 32,277,438 in September and 22,584,330 in October, 1940. Output during the ten months ending October aggregated 258,454,819 pounds compared with 236,795,753 in the corresponding period of 1940, a gain of slightly more than nine per cent.

Cheese production in October amounted to 15,130,884 pounds compared with 20,100,659 in the previous month and 15,983,749 in October, 1940. The total for the ten months of this year was 133,836,168 pounds compared with 134,400,002 in the like period of 1940, an increase of 0.4 per cent.

#### Production of Leading Mineral Products

The production of leading mineral products during the eight months ending August was as follows, with figures for the corresponding period of 1940 in brackets: cement, 5,272,599(4,619,988) barrels; clay products, \$4,071,701(\$3,155,019); coal, 11,002,960(10,916,798) tons; feldspar, 13,780(13,734) tons; gold, 3,560,120(3,500,256) fine ounces; gypsum, 900,957(907,941) tons; lime, 550,160(457,118) tons; natural gas, 25,281,862,000(23,319,949,000); petroleum, 6,620,695(5,426,813) barrels; commercial salt, 182,082(146,530) tons; silver, 13,672,641(15,824,995) fine ounces.

#### Civil Aviation in July

The number of passengers carried by civil aircraft in July increased to 19,087 from the June total of 17,551. Revenue freight showed a slight decline to 1,093,985 pounds from 1,194,610, but non-revenue freight advanced to 951,047 pounds from 787,008, and the total increased to 2,045,032 pounds from 1,981,618. The amount of mail transported by air totalled 257,730 pounds compared with 254,898 in June. Aircraft hours flown increased to 11,884 from 10,662 in June.

## Canned Food Production in 1939

The remarkable expansion of the production of canned food in Canada which began at the beginning of the century continues. In 1900 the total value did not exceed \$8,250,000. In 1930 it had increased to more than \$55,000,000 or  $6\frac{1}{2}$  times as much. In 1939 it was \$88,979,000.

## Population of New Brunswick and Prince Edward Island

According to the sixth in the series of preliminary reports based on 1941 Census returns being issued by the Dominion Bureau of Statistics, the population of counties in New Brunswick was as follows at June 2, with figures for the comparable date in 1931 in brackets: Albert, 8,396(7,679); Carleton, 21,429(20,796); Charlotte, 22,637(21,337); Kent, 25,014(23,478); Kings, 21,918(19,807); Madawaska, 27,904(24,527); Northumberland, 38,159(34,124); Queens, 12,633(11,219); Restigouche, 32,778(29,859); St. John, 67,305(61,613); Victoria, 16,554(14,907); Westmorland, 63,835(57,506). Figures for Gloucester, Sunbury and York counties are not yet available.

A preliminary count of the population of Prince Edward Island shows a total of 93,919 persons compared with 88,038 in 1931. The city of Charlottetown was 14,460 compared with 12,361. Indians on the reserves numbered 41 compared with 22 in 1931.

## Reports Issued During the Week

1. Weekly Index Numbers of Wholesale Prices (10 cents).
2. Civil Aviation, July (10 cents).
3. Economic Conditions, Nine Months of 1941 (10 cents).
4. Monthly Review of Business Statistics, October (10 cents).
5. Second Estimate of Production of Grain Crops, Canada (10 cents).
6. Canada's Leading Mineral Products, August (10 cents).
7. Stocks of Canned Fruits and Vegetables on Hand, October 1 (10 cents).
8. Monthly Review of Dairy Production, October (10 cents).
9. Farm Family Living Costs, 1941 (Fall) - (10 cents).
10. Stocks of Canadian Fruit and Vegetables, November 1 (10 cents).
11. Cold Storage Holdings of Meat and Lard, November 1 (10 cents).
12. Stocks of Dairy and Poultry Products, November 1 (10 cents).
13. Cold Storage Holdings of Fish, November 1 (10 cents).
14. The Employment Situation, September 1, 1941 (10 cents).
15. Carloadings (10 cents).
16. Slaughtering and Meat Packing and Sausage and Sausage Casings, Canada, 1940 (25 cents).
17. Coal and Coke Statistics, September (10 cents).
18. Operating Revenues, Expenses and Statistics of Railways, August (10 cents).
19. Preliminary Announcement of Population, 1941 Census (10 cents).
20. Canadian Grain Statistics (10 cents).
21. Canned Food Production in Canada, 1939 (15 cents).
22. Preliminary Announcement of Population, Prince Edward Island (10 cents).
23. Petroleum and Natural Gas Production, August and Gasoline Sales, July, (10 cents).



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