

WEEKLY BULLETIN

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Weekly Quotation

It is often better not to see an insult than to avenge it. -- Seneca.

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 practically maintained in the week of November 22, as compared with the preceding week. After seasonal adjustment the index on the base of 1926, rose from 99.7 to 99.8. The index for the eastern division rose to a new high point for some time, while recession was shown in the west. The cumulative total for the first forty-seven weeks of the year was 2,888,000 cars, marked gains having been shown over the same period of 1939 and 1940.

A minor recession was recorded in the index of commodity prices during the week of November 21, the standing having been 93.9 against 94.0. Recessions were shown in crop and animal products, while wood and paper and chemicals recorded a slight increase. The Dow-Jones commodity futures index receded from 81.00 on November 21 to 80.79 on the 27th. Moody's index also dropped from 209.40 to 208.40.

The adjusted index of bank clearings receded more than three points to 102.5. The standing one year ago was 81.7, an increase of 25.5 per cent having been indicated. Common stock prices showed a minor gain, the index on the base of 1926 rising from 75.0 to 75.1; the standing was 8.1 per cent below that of one year ago. Common stock prices on the Montreal Exchange recorded decline in the week ended November 27. The index of twenty industrials was 61.0 against 61.4 seven days before. A minor gain however, was shown in twenty industrials on the Toronto Exchange, the advances having been from 94.67 to 95.0. Gold, base metals and western oils showed recession during the same period. According to an unofficial compilation dividend payments during the first eleven months of the present year were \$225,187,000, compared with \$224,971,000 for the same period of last year. Speculative trading recorded an increase in the week of November 22 over the preceding week, as well as over the same week of 1940. The high-grade bond market was steady during the week under review, an index of capitalized yields showing a gain of 4 per cent over the same week of last year.

A weekly index based upon the six above-mentioned factors receded from 114.2 in the preceding week to 113.7, a decline of 0.5 per cent. The standing one year ago was 105.1, an advance of 8.1 per cent having been indicated. Each of the six factors except common stock prices recorded an increase over one year ago.

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

Week Ending	Car load-ings	Whole-sale Prices	Capitalized Bond Yields	Bank Clear-ings	Prices of Common Stocks	Shares Traded	Weekly Index
Nov. 22, 1941	99.8	93.9	147.7	102.5	75.1	42.1	113.7
Nov. 15, 1941	99.7	94.0	147.7	105.8	75.0	28.9	114.2
Nov. 23, 1940	93.9	84.0	142.0	81.7	81.7	32.9	105.1

Production of Leading Minerals

The Canadian production of leading minerals during the nine months ending September was as follows with figures for the corresponding period of 1940 in brackets: cement, 6,281,340(5,528,618) barrels; clay products, \$4,772,718(\$3,751,449); coal, 12,667,650 (12,283,436) tons; feldspar, 15,566(15,998) tons; gold, 4,005,205(3,941,401) fine ounces; gypsum, 1,116,847(1,094,194) tons; lime, 623,027(515,660) tons; natural gas, 27,728,401,000 (25,102,463,000) cubic feet; petroleum, 7,496,037(6,268,565) barrels; commercial salt, 207,504(166,235) tons; silver, 15,298,024(17,619,772) fine ounces.

Business Activity in October

The factors indicating the trend of economic conditions averaged higher in October than in the preceding month, three of the major factors recording advances. Common stock prices and trading on the exchanges were at a lower level than in September.

Business operations showed recession in October from the high point of the preceding month. An upward trend has been recorded in productive operation since the early part of 1938, the volume of production having been far greater in the last twelve months than at any other time in our industrial history.

Gold receipts at the Mint were 443,896 fine ounces against 397,662 in the preceding month. The increase in the coal output from 1,578,000 tons to 1,867,000 was less than normal for the season. The majority of the indexes used in the compilation of indicators of the volume of manufactures recorded recession in October from the preceding month. The manufacture of sugar was 112.9 million pounds in the last four-week period against 99.2 million. The index of tobacco releases rose from 152 to 158. The number of cigarettes made available was 844 million against 866 million in the preceding month. Due to seasonal adjustment the index moved up from 154 to 161. The release of cigars was 18.9 million against 17 million in September.

The index of inspected slaughterings was 162.8 compared with 150.4 in the preceding month. Advances in the slaughterings of cattle and hogs accounted for the advance. Slaughterings of hogs amounted to 673,500 head against 455,000. The output of dairy products recorded decline greater than normal for the season. Canned salmon exports were at a lower level. This year's salmon pack in British Columbia, which amounted to 2,107,725 cases at November 1, may exceed the 1930 all-time record at 2,221,000. It was so large that Canada will be in a position to supply more than 1,100,000, estimated as necessary to fill an agreement with the British Government and still escape any serious shortage in the domestic market.

The activity of the forestry group was somewhat checked during October as compared with the previous month, the index dropping from 145.6 to 132.6. A gain was shown in wood pulp exports after seasonal adjustment while three other factors used in this connection were at a lower position. The production of automobiles was 19,360 units against 14,496.

Scarcity of steel scrap is affecting steel production. The country is facing an acute shortage, despite the fact that ingot production for 1942 is expected to be nearly 25 per cent above the sharply expanded output of 1940. To meet this shortage the quantities of steel available for manufacturing a wide range of consumers' goods are drastically reduced. Many products which have come to be considered as necessities will be included, also a campaign for the collection of iron and steel scrap is in progress.

New business obtained by the construction industry dropped from \$39.4 million to \$29.1 million. Electric power production was 3.1 billion kilowatt hours against 2.9 billion in September. The adjusted index rose more than one point to 137.4.

Economic Conditions in October Compared with the Preceding Month and the same Month of 1940

		October 1941	October 1940	Sept. 1941
Physical Volume of Business.....	1935-39=100	*	129.0	149.7
Flour Production (Sept.).....	Bbl.	1,647,910	1,635,849	1,852,139
Sugar Manufactured.....	lb.	112,873,617	92,174,302	99,232,363
Canned Salmon Exports.....	Cwt.	66,529	48,695	125,436

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Economic Conditions in October Compared with the Preceding
Month and the Same Month of 1940 - Cont'd.

		October 1941	October 1940	September 1941
Newsprint Production	Tons	318,787	309,957	298,276
Wood Pulp Exports	Cwt.	2,763,640	1,727,197	2,786,204
Planks and Boards Exported	M ft.	233,280	241,494	291,129
Shingles Exported	Squares	290,659	291,217	330,811
Construction Contracts	\$	29,082,800	26,361,000	39,363,900
Exports - domestic	\$	138,129,000	102,972,000	139,976,000
Butter Output	lb.	24,896,331	22,584,330	32,277,438
Factory Cheese Production	lb.	15,130,884	15,983,749	20,100,659
Inspected Slaughtering -				
Cattle and Calves	No.	185,301	156,698	162,675
Sheep and Lambs	No.	171,487	152,423	106,735
Hogs	No.	673,485	631,080	454,913
Cigars released	No.	18,898,252	16,735,513	16,984,005
Cigarettes released	No.	844,291,949	747,063,787	865,956,619
Carloadings	No.	312,528	280,641	294,172

* According to preliminary calculations recession was shown in the index from September.

Consumption of Cigars and Cigarettes

The steady increase in cigar consumption since the outbreak of war was again extended during October when 18,898,252 cigars were released as compared with 16,735,513 in the same month last year. The average for October during the five immediate pre-war years was 13,154,415.

The all-time monthly record for cigars was made in September 1920 when 25,700,000 were released. The year 1920 also holds the record for yearly releases with 270,080,000. The year 1933 established the low record for cigar releases since the first world war with 114,808,848. The monthly low record was made in February 1934 when 4,448,840 cigars were released.

Cigarettes released in October at 844,291,949 stands as the second highest month on record. Releases in the preceding month were about 866 million, constituting the maximum. The great increase in cigarette consumption is shown by comparing the above number with 525,931,692, the average for October during the five immediate pre-war years from 1934 to 1938. The comparison shows an increase of 318,360,257 or 60.5 per cent.

Releases during the first ten months of 1941 totalled 7,107,786,048 compared with 6,310,136,641 in the same period of 1940, an increase of 12.6 per cent.

Visible Supply of Wheat

The visible supply of wheat on November 21 totalled 503,322,573 bushels compared with 503,695,508 on November 14 and 458,306,955 on the corresponding date last year. The amount in store in elevators in Canada on the latest date was 478,725,859 bushels, the balance of 24,596,714 being in store in the United States.

Overseas Export Clearances of Wheat

During the week ending November 21 the export clearances overseas of Canadian wheat amounted to 2,333,826 bushels compared with 3,558,005 in the corresponding week last year. Clearances during the sixteen weeks ending November 21 aggregated 43,781,019 bushels compared with 29,930,307 in the corresponding period of the previous crop year.

World Wheat Situation

The first official estimate of Australia's new wheat crop places the yield at 166.1 million bushels compared with 82.6 millions harvested last year. This yield is slightly better than the average of the past ten years which was 164.7 million bushels. The acreage in 1941 was about 200,000 acres larger than a year ago, but the yield per acre indicated for the new crop is 13.1 bushels compared with 6.6 last year and a ten-year average of 12.1 bushels. The unsold carry-over of old wheat is relatively small and with a substantial part of the new crop surplus sold to the United Kingdom Government by agreement, the marketing problem in Australia should not prove too serious in the 1941-42 season.

Argentina's new crop has not yet reached the stage where an official estimate of production is deemed prudent but trade estimates range from 200 to 213 million bushels compared with a harvest of 271.2 million bushels a year ago. Permanent damage was done by frost to the wheat crop in the northern provinces and frost also struck the crops in the large producing province of Buenos Aires, although subsequent rainfall is believed to have brought about some recovery in this latter area. What the Government does confirm, however, is an increase of 2.3 per cent in the acreage sown to wheat for the 1941 harvest, details of which appear in the section of the *Monthly Review of the Wheat Situation* allotted to the grain situation in Argentina.

It would appear, therefore, from current data, that the Southern Hemisphere wheat crop will be a little larger than a year ago and that Argentina, though likely to harvest a smaller crop this year, will have a more congested situation to deal with than Australia by reason of a large carry-over of old wheat and with her former markets in Europe very sharply curtailed. A small measure of relief may come from a deal now being negotiated with Bolivia which would provide a new market for about 3,000,000 bushels of Argentine wheat, but unless Spain and the United Kingdom become larger buyers than of late, Argentina will have to rely largely upon neighbouring Southern American countries for her exports in the current season. In the fifteen weeks August 1 to November 15, 1941, Argentine wheat exports totalled 21.7 million bushels compared with 27 millions in the corresponding period last year and 53 millions two years ago. No export figures are available for Australia.

In North America, the picture shows little change on the production side but looks weighty in the matter of stocks. A downward revision of the Canadian crop from 306.5 to 302.6 million bushels corresponds closely to the upward revision made a month ago in United States wheat estimates so that the total crop of North America now placed at 1,263,820,000 bushels is back approximately to the September estimate and is 104.3 million bushels less than last year's harvest. Exports for the first fifteen weeks of the season especially from Canada, show improvement over the corresponding period a year ago, but in spite of this, the Canadian visible supply, which excludes farm stocks, was at the record figure of 503.7 million bushels on November 14. In the United States on October 1, the total supply of wheat was estimated at 1,156,121,000 bushels compared with 874,777,000 bushels a year previous, but in this case the wheat still on farms was included.

From Europe continues to come news that weather conditions are interfering with the sowing of winter crops. Increased grain acreage was planned for a number of countries including the United Kingdom and while every effort is being made to plant more acres, early freezing may prevent the objective being reached. There is considerable speculation about the position in Russia, particularly with respect to territory lost in the Ukraine. Trade estimates indicate that the Ukraine not only was the area from which surplus wheat was exported from Russia but that this area accounted for between 25 and 30 per cent of the total U.S.S.R. wheat crop. It is believed that a large part of the 1941 crop was saved by the Russians and Premier Stalin has indicated in a public address that there is no food shortage in the Soviet Union. Nevertheless, the outlook for next year's harvest is the subject of speculation in trade circles and there is a growing belief that North American wheat will be moving to Russia in substantial amounts in 1942. Australia would doubtless share also in any expert shipments to Russia especially if the movement had to be made via Vladivostok.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces during the week ending November 21 amounted to 7,540,334 bushels compared with 7,934,272 in the previous week and 9,496,207 in the corresponding week last year. By provinces the receipts were as follows, with 1940 totals in brackets: Manitoba, 1,407,242(1,053,873) bushels; Saskatchewan, 3,561,882(4,686,398); Alberta, 2,571,210(3,755,936).

Marketings during the sixteen weeks ending November 21 aggregated 117,642,003 bushels compared with 232,986,146 in the corresponding period of the previous crop year. Totals follow by provinces, with 1940 figures in brackets: Manitoba, 21,446,114(32,310,490) bushels; Saskatchewan, 64,201,669(129,483,335); Alberta, 31,994,220(71,192,321).

Stocks of Foreign Grain

Stocks of foreign grain in Canada on November 21 included the following, the figures for 1940 in brackets: United States varieties - wheat 830,182(837,580) bushels; oats, 25,897(2,593); rye, 23,578(23,577); corn, 3,103,132(1,748,994); Argentine corn, 5,756(1,286,414); South African corn, nil(885,031).

World Shipments of Wheat

World shipments of wheat during the week ending November 22 amounted to 5,423,000 bushels as compared with 5,244,000 in the previous week and 6,984,000 in the corresponding week last year. During the sixteen weeks ending November 22 shipments aggregated 85,988,000 bushels as compared with 79,680,000 in the corresponding period of the previous crop year.

Cash Income from the Sale of Farm Products in the Prairie Provinces

Cash income from the sale of farm products in the Prairie Provinces during the first nine months of 1941 totalled \$255,359,000 compared with \$208,588,000 in the corresponding period of 1940 and an average of \$205,192,000 for the five years 1936 to 1940. The value of field crops advanced to \$141,056,000 from last year's figure of \$122,942,000, while the value of live-stock and products rose to \$144,303,000 from \$85,646,000 a year ago.

Higher receipts in 1941 have been recorded for all individual items contributing to the total. These were as follows, with the figures for the nine months of 1940 in brackets: wheat, \$119,512,000(\$109,173,000); oats, \$6,880,000(\$5,231,000); barley, \$7,127,000(\$3,442,000); rye, \$2,112,000(\$1,138,000); flax, \$2,237,000(\$1,347,000); other field crops, \$3,188,000(\$2,611,000); cattle and calves, \$34,923,000(\$23,843,000); sheep and lambs \$1,656,000(\$1,438,000); hogs, \$37,404,000(\$25,667,000); milk and butterfat, \$27,320,000(\$17,759,000); poultry and eggs, \$9,258,000(\$8,252,000); other live stock products, \$5,742,000(\$3,687,000).

Since deliveries of wheat during the last three months of 1941 will be substantially below those of the same period a year previously, the cash income from wheat during the final quarter of 1941 will be considerably below that of 1940 especially in Alberta and Saskatchewan. On the other hand, income from the sale of other grains, live stock and live stock products will be higher. On balance cash income from the sale of farm products should be substantially higher for the calendar year 1941 than was the case in 1940. Income included in this report is that received from the sale of farm products and does not include any bonus payments made to farmers during the period under review.

Commercial Failures in September

A decrease was shown in September in the number of commercial failures reported to the Dominion Bureau of Statistics under the provisions of the Bankruptcy and Winding Up Acts, the number dropping to 67 from 78 in the previous month but moved up from the 65 reported in the same month last year. Estimated grand total assets were \$368,651 compared with \$560,257 in the previous month and \$390,383 for September 1940, while liabilities totalled \$541,173 compared with \$675,002 in August and \$532,429 in corresponding month last year.

Retail Sales of Gasoline in August

Retail Sales of gasoline in August totalled 105,126,000 gallons compared with 109,978,000 in July and 103,438,000 in the corresponding month last year. Sales during the eight months ended August aggregated 843,273,000 gallons compared with 862,204,000 in the corresponding period of 1940.

Sales in August were as follows by provinces, with 1940 figures in brackets: Prince Edward Island, 698,000(642,000); Nova Scotia, 4,040,000(4,227,000); New Brunswick, 3,027,000(3,206,000); Quebec, 18,574,000(17,931,000); Ontario, 41,528,000(41,321,000); Manitoba, 2,355,000(2,993,000); Saskatchewan, 12,728,000(13,716,000); Alberta, 11,013,000(9,458,000); British Columbia, 7,160,000(6,944,000).

Eight-month sales follow by provinces: Prince Edward Island, 3,277,000(2,518,000); Nova Scotia, 27,819,000(22,060,000); New Brunswick, 17,069,000(15,805,000); Quebec, 105,766,000(92,039,000); Ontario, 271,765,000(239,581,000); Manitoba, 34,220,000(30,617,000); Saskatchewan, 74,953,000(64,250,000); Alberta, 60,921,000(52,308,000); British Columbia, 47,483,000(43,026,000).

October Building Permits

The value of building permits issued by municipalities reporting to the Dominion Bureau of Statistics in October totalled \$12,901,757 compared with \$12,495,218 in September and \$12,430,760 in the corresponding month last year. The total for the ten months of this year aggregated \$114,807,992 compared with \$94,160,076 in the corresponding period of 1940. During October, new construction of all types accounted for 77.4 per cent of the total value, while the percentage of new residential construction was 51.4.

Production of Petroleum and Natural Gas in September

The Canadian output of crude petroleum and natural gasoline in September totalled 878,782 barrels compared with 870,881 in the previous month and 841,752 in September, 1940. The total for the nine months aggregated 7,499,477 barrels compared with 6,238,565 in the corresponding period of 1940.

Natural gas production in September amounted to 2,446,539,000 cubic feet compared with 1,988,729,000 in the previous month and 1,782,514,000 in September, 1940. Production during the nine months ending September aggregated 27,728,401,000 cubic feet compared with 25,102,483,000 in the same period of 1940.

Steam Railways in 1940

Canadian railways earned more than four hundred million dollars for the first time in 1919. The revenues stayed well above that amount until 1931 when they dropped to \$358,549,382 and continued to decline in each of the two succeeding years. With the exception of 1938, each year 1934-1940 inclusive, has shown an increase over the preceding year and 1940 revenues again passed the four hundred million mark, amounting to \$429,142,659; monthly reports for 1941 show continued increases. Operating expenses increased from \$304,373,285 for 1939 to \$335,287,503.

The average miles of road operated during the year was reduced from 42,676.4 miles in 1939 to 42,601.0. Revenue freight train miles increased by 13.8 per cent and passenger train miles by 2.1 per cent, but revenue freight ton miles increased by 20.4 per cent to 37,898,196,157 which has been exceeded only by the 1928 ton miles. Passengers carried increased by 7.3 per cent and passenger miles increased by 24.2 per cent. The average passenger journey was 99.1 miles which is the longest yet recorded for any year. Passenger train car miles, however, were increased only 4.2 per cent.

The number of employees increased from 129,362 in 1939 to 135,700 or by 4.9 per cent. The number of female employees increased from 4,798 to 6,229 or by 30 per cent which was probably an effect of the war. The number of employees on hourly rates increased by 5.5 per cent, the time on duty increased by 7.7 per cent and the wages increased by 8.3 per cent. Those on a daily, monthly or annual basis increased by 2.4 per cent, time worked increased by 3.4 per cent and salaries were greater by 3.0 per cent. The average hourly wage increased from 62.5 cents in 1939 to 62.8 cents and the average daily wage decreased from \$5.905 to \$5.884.

Output of Central Electric Stations in October

The output of central electric stations in October amounted to 3,140,317,000 kilowatt hours, a new high record, as compared with 2,866,647,000 in September and 2,487,455,000 in October last year. Total output during the ten months ending October was 27,040,578,000 kilowatt hours compared with 24,971,047,000 in the like period in 1940.

Civil Aviation in August

The number of passengers carried by civil aircraft in August continued to increase advancing to 20,100 as compared with the July total of 19,087. Revenue freight increased from 1,093,985 pounds last month to 1,169,873 in August, but non-revenue freight decreased to 691,421 pounds from 951,047 in the previous month. The amount of mail transported by air totalled 282,615 pounds compared with 257,730 in July. Aircraft hours flown showed a slight decline to 10,840 from 11,884 in July.

Gold Production in September

The Canadian production of gold in September was recorded at 445,085 ounces valued at \$17,535,773 compared with 467,224 valued at \$17,988,124 in the previous month and 441,145 valued at \$16,984,082 in the corresponding month last year. Production during the nine months ending September aggregated 4,005,205 ounces valued at \$154,600,393 compared with 3,941,401 valued at \$151,743,938 in the corresponding period of 1940.

Financing of Motor Vehicle Sales

Effects of restrictions on instalment purchasing in Canada are reflected in statistics covering the financing of new and used motor vehicles by finance companies in October, when 10,868 vehicles were financed to the extent of \$4,790,709 compared with 13,214 units financed for a total of \$5,469,418 in October, 1940. During the 10 months ending October 165,131 units were financed for a total of \$77,725,421 compared with 153,783 for \$64,237,832 in the corresponding period of 1940.

Reports Issued During the Week

1. Commercial Failures in Canada, September (10 cents).
 2. Civil Aviation, August (10 cents).
 3. Output of Central Electric Stations, October (10 cents).
 4. Canadian Grain Statistics (20 cents).
 5. Monthly Financing of Motor Vehicle Sales, October (10 cents).
 6. The Biscuit, Confectionery, Cocoa and Chocolate Industries, 1940 (25 cents).
 7. Cash Income from the Sale of Farm Products in the Prairie Provinces,
January to September, 1941 (10 cents).
 8. Weekly Index Numbers of Wholesale Prices (10 cents).
 9. Canada's Leading Mineral Products, September (10 cents).
 10. Production of Asphalt Roofing, October (10 cents).
 11. Building Permits, October (10 cents).
 12. Statistics of Steam Railways, 1940 (10 cents).
 13. Monthly Review of the Wheat Situation (10 cents).
 14. Petroleum and Natural Gas Production, September; and
Gasoline Sales, August (10 cents).
 15. Coal Statistics for Canada, 1939 (50 cents).
 16. Carloadings (10 cents).
 17. Gold Production, September (10 cents).
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