

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.

Notes on the indexes follow:

The railway traffic movement recorded an increase after seasonal adjustment, the total number of cars moved having been 52,085 against 51,384 in the preceding week. The adjusted index of carloadings on the base of 1926 advanced from 88.7 to 91.5. Gains were shown in both the eastern and western divisions. The traffic during the elapsed portion of the year was more than 198,000 cars, showing a considerable increase over the same period of 1940.

Appreciable gain was recorded in wholesale prices during the week of January 24, the index advancing from 84.6 to 84.8. While a recession was shown in chemicals, advances were recorded in crop and animal products and wood and paper. An index of eighteen sensitive commodities on the base of 1926 advanced from 67.1 to 67.3, the index for five foods rising from 69.6 to 70.5.

The index of capitalized bond yields recorded minor recession in the week of January 23 but the standing was considerably higher than in the same week of 1936. The adjusted index of bank clearings was 98.9 in the week of January 25, against 101.3 in the preceding week. A gain of nearly 7 per cent, however, was shown over the week of January 27, 1940. The recession in common stock prices continued, the decline in the index having been nearly two points to 77.9. The standing one year ago was 98.6, a drop of 21 per cent having been indicated. Speculative trading was slightly heavier than in the preceding week but showed marked decline from one year ago.

The weekly index based on the above-mentioned factors remained unchanged at 107.7 in the week of January 25. The standing one year ago was 104.3, an increase of 3.3 per cent having been indicated.

A Weekly Index with Six Components on Basis 1926-100

Week Ending	Car loadings	Wholesale Prices	Capitalized Bond Yields 1	Bank Clearings 2	Prices of Common Stocks	Shares Traded	Weekly Index 3
Jan. 25, 1941	91.5	84.8	144.1	98.9	77.9	31.0	107.7
Jan. 18, 1941	88.7	84.6	144.3	101.3	79.7	29.5	107.7
Jan. 27, 1940	85.4	82.1	136.0	92.5	98.6	59.2	104.3

1. Present value of a fixed net income in perpetuity from Dominion long-term bonds. 2. Bank clearings were smoothed by taking a three weeks moving average for the purpose of eliminating irregular fluctuations. Totals for Ottawa were eliminated for all weeks shown owing to incomparability introduced by the operations of the Bank of Canada. 3. The weighting of the six major factors is determined from the standard deviation from the long-term trend of each, based on data for the period from January 1919 to August, 1936. 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 was eliminated from the composite and the resulting index expressed as a percentage of the average during the year 1926.

Wheat Stocks in Store

The amount of Canadian wheat in store on January 24 was 495,841,577 bushels compared with 494,205,033 on January 17 and 336,358,438 on the corresponding date last year. The total in rail transit on the latest date was 7,964,600 bushels compared with 9,607,765 on the same date in 1940.

The stocks in elevators in Canada on January 24 aggregated 446,571,244 bushels compared with 443,379,567 on January 17 and 302,422,320 a year ago. Canadian wheat in the United States totalled 49,270,353 bushels compared with 50,825,466 a week ago and 33,936,118 on the corresponding date in 1940.

Overseas Export Clearances of Wheat

The export clearances overseas of Canadian wheat during the week ended January 24 totalled 2,499,616 bushels compared with 4,523,437 in the corresponding week last year. During the 25 weeks ended January 24 the clearances aggregated 47,244,255 bushels in comparison with 68,001,455 in the corresponding period of the previous crop year.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces for the week ending January 24 amounted to 5,386,603 bushels compared with 5,792,289 in the previous week and 731,913 in the corresponding week last year. Receipts follow by provinces with 1940 figures in brackets: Manitoba 492,925 (40,059) bushels; Saskatchewan 2,483,373 (307,367); Alberta 2,410,305 (372,148).

Marketings in the three provinces during the 25 weeks ending January 24 aggregated 302,150,887 bushels compared with 366,823,681 in the corresponding period of the previous crop year. Totals follow by provinces: Manitoba, 40,632,212 (49,513,283); Saskatchewan, 160,991,561 (205,184,470); Alberta, 100,527,094 (112,113,589).

Grading and Quality of the 1940 Wheat Crop

The 1940 wheat crop in the Prairie Provinces is another exceptionally high grading crop, following the record set by the crop of the previous year. This year's grades are just a shade under those of 1939. Over 57 per cent of the wheat graded in the August-December period of 1940 has been designated No. 1 Northern or No. 1 Hard. During the same period of 1939, 60 per cent of the inspections made the two top grades.

The 1940 inspections have included 27 per cent grading No. 2 Northern and over 7 per cent grading No. 3 Northern, so that the total volume of the 1940 crop grading No. 3 Northern or higher amounted to 91.6 per cent as compared with 91.9 per cent in 1939.

The mean protein content of the 1940 crop, as reported by the Grain Research Laboratory of the Board of Grain Commissioners for Canada on November 12, was 14.1 per cent, which was identical with that of the 1939 crop, and comparable to the average protein content of the past twelve crops. The similarity between the 1939 and the 1940 crops is striking, with respect to both grade and protein content.

The dearth of wheat below milling quality delivered from both the 1939 and 1940 crops has made very little wheat of the feed grades available to the live-stock industry. As in 1939, an appreciable quantity of tough wheat due to wet harvesting conditions has been delivered in Alberta, with 5.3 per cent of the total western inspections grading tough in 1940, compared with 4.8 per cent in 1939. Much of the wheat in the tough category would grade No. 2 Northern except for moisture content, and is priced above the feed range.

The 1940 Amber Durum wheat crop is grading similar to that of 1939. The 1940 inspections during August-December show 70.6 per cent in the two top grades, compared with 70.5 per cent in these grades in the same period of 1939. Twenty-four per cent of the inspections in 1940 graded No. 3 Amber Durum, as compared with 20.4 per cent in the No. 3 grade in 1939. The small percentage of Durums entering the tough and rejected grades in 1939 was reduced to negligible proportions in 1940.

Production of Iron and Steel

Operating at 85.1 per cent of capacity, Canadian steel mills produced a total of 2,011,172 tons of steel during the calendar year 1940 as compared with 1,384,870 in 1939. This was a gain of 626,302 tons. Production during December totalled 185,420 tons compared with 176,113 in November and 150,207 in December, 1939.

Blast furnaces in Canada, operating at 78.7 per cent of capacity, produced 1,168,894 tons of pig iron in 1940 compared with 755,731 in 1939, an increase of 413,163 tons. The December production totalled 110,477 tons compared with 109,576 in November and 94,620 in December, 1939.

During the calendar year 1940 the output of ferro-alloys amounted to 135,412 tons compared with 76,376 in 1939. The December output aggregated 18,397 tons compared with 11,654 in November and 10,494 in December, 1939.

Output of Central Electric Stations

The output of central electric stations in Canada reached a new peak in 1940, the total being 30,080,248,000 kilowatt hours, which was 6.1 per cent above the output in the calendar year 1939. Production of firm power for use in Canada also established a new high, standing at 23,106,787,000 kilowatt hours, a gain of 16.4 per cent over the 1939 figure.

Secondary power produced for electric boilers during the year dropped to 4,837,904,000 kilowatt hours from 6,590,378,000 in 1939 and exports to the United States of secondary power increased to 727,442,000 kilowatt hours from 487,935,000. Thus the total production in 1940 included 24,514,902,000 kilowatt hours of firm power and 5,565,346,000 kilowatt hours of secondary power as against 21,273,201,000 kilowatt hours of firm power and 7,078,313,000 kilowatt hours of secondary power in 1939.

Central electric stations produced 2,584,341,000 kilowatt hours during December 1940 compared with 2,524,860,000 in November and 2,536,242,000 in December, 1939. Firm power produced for use in Canada amounted to 2,134,315,000 kilowatt hours, the highest for any month to date. On a daily basis, however, it was slightly below the November average.

Bank Debits to Individual Accounts

The amount of cheques cashed by chartered banks in 32 centres was \$34,437,000,000 during 1940 as compared with \$31,617,000,000 during 1939. The gain amounting to \$2,820,000,000 or 8.9 per cent was due to greater economic activity. Marked increases were shown in the indexes of the physical volume of business and of employment. Wholesale prices averaged higher last year than in 1939. The high level was occasioned by the marked advance during the last four months of 1939. During the last 12 months the level of wholesale prices was well maintained. Common stock prices receded sharply in May and June, reflecting the influence of adverse military operations in France.

Increases in bank debits were shown in each of the five economic areas. The greatest percentage gain was shown in the Maritime Provinces. Totals follow by areas, with figures for the year 1939 in brackets: Maritime Provinces \$824,489,836 (\$679,947,972); Quebec \$9,973,060,607 (\$9,820,399,452); Ontario \$15,384,403,480 (\$13,618,490,448); Prairie Provinces \$6,118,407,201 (\$5,478,229,879); British Columbia \$2,137,113,355 (\$2,020,284,080).

Bank debits in December 1940 totalled \$3,208,347,577 compared with \$3,049,322,206 in November and \$3,056,866,581 in December, 1939.

Building Permits in December

According to reports received from 184 municipalities, the value of building permits issued during December totalled \$7,357,898, new construction of all types accounting for 67.4 per cent of the total value, while the percentage of new residential construction was 35.4. Revised values for November include returns from 198 municipalities and aggregated \$11,128,942.

Reports were received from 57 of the 58 original municipalities covered by this survey showing a value of \$5,994,478 in December compared with \$7,710,170 in November

when all 58 municipalities reported and \$6,037,582 in December, 1939.

The value of permits issued by all municipalities during 1940 was \$112,691,456. The value for the 58 municipalities for the same period was \$81,331,474 compared with \$60,272,379 in 1939.

Women's Factory Clothing Industry

Considerably greater activity was shown by Canadian establishments engaged primarily in the manufacture of women's factory clothing and ready-to-wear garments in 1939, the gross value of production totalling \$59,594,842 compared with \$57,271,953 in 1938, an increase of 10 per cent. Of the 1939 output, firms located in Montreal reported a value of production totalling \$39,273,787, while those in Toronto accounted for \$14,231,495.

The 615 establishments included in this category provided employment for 20,270 persons, paying them a total in salaries and wages of \$17,386,492. In 1938 the 605 firms reported a working force of 19,909 persons and payments in salaries and wages totalling \$16,984,546.

Canadian Glass Industry

A slight decline was recorded in the gross value of products made by firms included in the Glass Industry in 1939, when the total was \$12,529,050 as compared with \$12,649,957 in 1938. Pressed and blown glass was produced to the value of \$8,854,629 against \$9,125,819 in 1938, and included such products as bottles and jars, etc., no sheet or plate glass being made in Canada. The cutting, bevelling and ornamental section had an output value at \$3,674,421 as compared with \$3,524,138 in 1938.

Imports of glass and glassware during 1939 were appraised at \$7,915,113, a gain of 19 per cent from the \$6,670,261 in 1938. Exports were valued at \$145,083 compared with \$129,757 and re-exports totalled \$21,866 as against \$36,345.

Reports Issued During the Week

1. Car Loadings (10 cents).
 2. The Jewellery and Silverware Industry, 1939 (25 cents).
 3. The Glass Industry, 1939 (25 cents).
 4. Weekly Index Numbers of Wholesale Prices (10 cents).
 5. Output of Central Electric Stations, December (10 cents).
 6. Production of Iron and Steel, December (10 cents).
 7. Chemicals and Allied Products in Canada, 1937 - 1938 (50 cents).
 8. The Women's Factory Clothing Industry, 1939 (25 cents).
 9. Building Permits, December (10 cents).
 10. Bank Debits to Individual Accounts, December (10 cents).
 11. Price Movements, December (10 cents).
 12. Monthly Review of the Wheat Situation (10 cents).
 13. Canadian Grain Statistics (10 cents).
 14. Farm Implements and Machinery Industry, 1939 (10 cents).
 15. Security Prices and Foreign Exchange (10 cents).
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