

## WEEKLY BULLETIN

Dominion Bureau of Statistics  
Department of Trade and Commerce

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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.  
Notes on the indexes follow:-

The railway freight movement recorded a gain after seasonal adjustment in the second week of February, the index on the base of 1926 advancing from 89.3 to 93.4. A gain of 4 per cent was shown over the preceding week, while the advance over the same week of 1940 was 10 per cent. The movement during the week was 55,093 cars compared with 52,587 in the preceding week, and 49,734 in the week of February 10, 1940. Advances over the preceding week were shown both in the eastern and western divisions. The total traffic during the first seven weeks of the year was 359,528 cars showing a marked increase over the same period of last year.

The general level of wholesale prices was steady in the second week of February, the index remaining unchanged at 85.0. A slight advance was recorded in crop products, while animal products and textiles showed slight reaction. Sensitive commodities were also maintained at the level of the preceding week, a slight gain in manufacturing materials having been offset by a recession in food prices.

The reaction in common stock prices was extended in the second week of February, on the base of 1926 the index receding from 74.6 to 73.6. Declines were practically general throughout the sub-groups an exception being the index of oils. The index of 15 power and traction stocks receded slightly. The standing of the general index one year ago was 99.9, a decline of 26.3 per cent having been indicated.

High-grade bond prices showed minor advance in the week under review, the long-term bond yield index having receded from 96.2 to 95.9. A new Province of Quebec issue of \$15 million, dated February 1, and payable in Canada was recently offered for public subscription. Bank clearings in the week of February 15 were \$371.4 million against \$285 million in the preceding week, the adjusted index advancing 7.8 per cent. Some gain was shown in speculative trading, the index advancing from 25.6 to 32.3.

The weekly index based on the above-mentioned factors was 108.1 in the week of February 15 against 106.1 in the preceding week, a gain of 1.9 per cent. The standing one year ago was 109.0 a decline of 0.8 per cent having been indicated.

A Weekly Index with Six Components on Basis 1926=100

Week Ending	Car load-ings	Whole-sale Prices	Capitalized Bond Yields 1	Bank Clear-ings 2	Prices of Common Stocks	Shares Traded	Weekly Index 3
Feb. 15, 1941	93.4	85.0	144.7	99.7	73.6	32.3	108.1
Feb. 8, 1941	89.8	85.0	144.3	92.5	74.6	25.6	106.1
Feb. 17, 1940	84.9	82.5	137.0	117.4	99.9	106.3	109.0

1. Present value of a fixed not 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.



## Living Costs in 1940

The Dominion Bureau of Statistics cost of living index for Canada on the base 1935-1939=100 advanced from 103.8 for December 1939 to 108.0 for December 1940. This increase of 4 per cent was mainly concentrated in the latter half of the year when prices for clothing, home furnishings, foods and coal showed appreciable advances.

The December 1940 living cost index was 7.1 per cent above the corresponding index for August 1939, and materially above the minor peak of 102.9 recorded in November 1937. However, it remained far below levels of 1929 and 1930 when annual average cost of living indexes were 121.7 and 120.8 respectively. Living costs in these years were representative of the period from 1922 to 1930.

A Dominion index of retail food prices advanced 4.2 per cent during 1940. This movement occurred between June and December, following a slight decline in the first half of the year. The December 1940 food price index of 109.1 compared with earlier indexes of 103.8 in June and 104.7 in December 1939. Butter, eggs, and meats were mainly responsible for the rise in the food group. The autumn seasonal increase in egg prices was slightly greater than in 1939, and December 1940 butter prices were about 8 per cent above corresponding 1939 levels. Late summer advances in the retail price index for meats were partially cancelled by declines in the final three months, leaving the December 1940 index for meats only 3.9 per cent above the corresponding December 1939 index. One of the few important foods to record a net decline for 1940 was potatoes. A December 1940 index for potatoes was 10.9 per cent lower than the December 1939 figure.

Higher prices for coal and coke carried the Dominion index for fuel and lighting up from 105.4 in December 1939 to 108.5 in December 1940. This group index was one of the few which was not substantially lower in 1940 than in 1929 and 1930. A Dominion index for rents of wage-earner family dwellings increased moderately from 104.4 at the end of 1939 to 107.7 at the end of 1940. Control of rentals in areas most affected by the war effort minimized variations in regional movements.

Clothing price increases in 1940 were sharper than those in any other principal budget group, and the December 1940 index of 113.5 for clothing was 9.9 per cent above the corresponding index for December 1939. Men's clothing was more affected than other groups due to the greater importance of wool in its manufacture. The advance in footwear prices was less than 5 per cent.

The broad group of home furnishings and services, including furniture, hardware, bedding, floor coverings, etc., advanced 6.3 per cent during 1940 which was a greater than average rise. Bedding and floor coverings recorded the sharpest increases in this group, but advances in other sections were fairly general.

## Review of Employment in 1940

The year 1940 witnessed an unprecedented expansion in industrial employment in the Dominion, a continuation and intensification of the upward movement that had its inception late in 1939, and apart from seasonal fluctuations, is expected to gain momentum in the months to come as the result of the development of Canada's war effort.

The industrial activity indicated during 1940 raised the employees of the co-operating establishments by almost one-fifth from January 1 to December 1, a proportion greatly exceeding that shown in any other twelve months in the twenty years for which information is now available; the average change from the beginning of January to the first of December in the period, 1921-1939, was 8.1 per cent.

During the year under review, the Dominion Bureau of Statistics tabulated 145,372 individual returns on employment, an average of 12,114 reports per month. The employees of the co-operating establishments averaged 1,215,431, varying between 1,093,930 at April 1 and 1,364,720 at the beginning of November. In 1939, the range had been from 1,015,632 at April 1, to 1,206,183 at November 1, while the monthly average was 1,105,712; the reports tabulated in that year had aggregated 139,810, an average of 11,651 per month.

Manufacturing as a whole, reported particularly impressive gains; employment, unusually active at the opening of January, thereafter showed important and uninterrupted advances until December 1; the additions to the working forces made in this period resulted in the establishment of successive new all-time highs, month by month from February. The December 1 index, at 144.7 was over 22 per cent higher than at January 1, an increase which exceeded that in any other of the twenty years of the record; the average gain in this period was not quite ten per cent. Considerable improvement was recorded in the production of both durable and non-durable goods, the former showing an increase of 34 per cent and

the latter, of 15 per cent during the twelve months.

Among the nonmanufacturing divisions, logging reported greater employment than in 1939, or any other year since 1920, except 1937. Mining, communications, transportation, services and trade were also brisker; the indexes in mining, services and trade were the highest on record; that in transportation was the highest since 1931, while the communications figure was above that for any other year since 1932. Employment in construction on the whole, was quieter than in 1939, due to curtailment in work on the highways, which in recent years has been largely provided as a means to relieve unemployment; building construction, however, was in decidedly greater volume than in any other year since 1931.

A brief analysis of the situation in the various units of population and industrial divisions shows that activity in all provinces attained an unusually high level in 1940. In Quebec, Ontario and British Columbia, employment generally was at its maximum in the twenty years for which statistics are available. This was also the case in the Maritime Provinces as a unit, while in the Prairie Area, activity was greater than in any other year since 1931. Data for the various provinces within these two areas were separately tabulated only from 1937; in the intervening period, employment generally was at a lower level than in 1940.

Industrial employment in the eight cities for which statistics are segregated was, on the whole, in greater volume in 1940 than in any preceding year of the record except 1929, when their average index was slightly higher. The cities for which tabulations are made are as follows:- Montreal, Quebec, Toronto, Ottawa, Hamilton, Windsor, Winnipeg, and Vancouver. Employment in these eight centres, taken as a unit, showed an advance exceeding that indicated generally in the Dominion; nevertheless, this composite index continued lower than that for the Dominion as a whole, although the discrepancy was the smallest in the eight years during which employment in the leading industrial centres has been relatively quieter.

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#### Cost of Living in January

The index number of living costs in January rose to 108.3 from 108.0 in the previous month and 103.8 in January, 1940. The food index mounted from 109.1 in December 109.7 in January, when declines in eggs and fruits failed to balance general increases in other groups. The rent index remained unchanged at 107.7 but fuel and light moved up fractionally from 108.5 to 108.6. Small scattered increases caused the clothing index to rise from 113.6 to 113.7, while home furnishings and services advanced 0.1 to 120.8. The miscellaneous group index rose from 102.8 for December to 103.1 for January.

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#### Flour and Feed Milling Industry

A review of the flour and feed milling industries during the year 1939 reveals a gross value of production of \$101,776,429 as compared with \$122,598,188 in 1938. Wheat flour was accountable for \$54,322,321. Next in order of importance was chopped grain feed at \$22,177,846, followed by shorts and middlings of the value of \$6,101,243. Rolled oats takes fourth place at \$6,055,535, while bran occupies fifth position with a valuation of \$4,109,671. The output of wheat flour of all grades in 1939 totalled 15,751,654 barrels valued at \$3.45 per barrel. This represents an increase of 2,398,134 in the number of barrels produced but a decrease of \$2.20 in the selling price per barrel as compared with 1938.

The flour and feed industry, which has existed to meet the domestic needs for more than 300 years, is one of the Dominion's oldest manufactures, but it is only within recent times that its progress has become spectacular. The war of 1914-1918 and the demand it created gave a great impetus to this trade. The 303 flour mills in operation in 1939, many of them of the most modern type and highest efficiency, have a capacity far in excess of Canada's demands. During 1928 productive capacity reached about 121,000 barrels per day. Since then the industry has been adversely affected by the difficulties which beset the Canadian grain trade and the great decline in the prices of grains. However, a further impetus may be expected as a direct result of the large export requirements to Great Britain on account of war time conditions prevailing.

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### Wheat Stocks in Store

The amount of Canadian wheat in store on February 14 was 492,128,607 bushels compared with 492,071,201 on February 7 and 330,024,046 on the corresponding date last year. The stocks in elevators in Canada on the latest date totalled 445,633,334 bushels against 444,127,957 a week ago and 298,938,621 last year. Canadian wheat in the United States amounted to 46,495,273 bushels compared with 47,943,244 on February 7 and 31,085,425 a year ago.

### Overseas Export Clearances of Wheat

During the week ending February 14 the export clearances overseas of Canadian wheat amounted to 4,210,255 bushels compared with 4,094,719 in the corresponding week last year. The accumulated total for the twenty-eight weeks ending February 14 was 59,269,846 bushels compared with 77,309,852 in the corresponding period of the previous crop year.

### Primary Movement of Wheat

Wheat receipts in the Prairie Provinces for the week ending February 14 amounted to 5,791,411 bushels compared with 4,788,749 in the previous week and 1,414,251 in the corresponding week last year. Totals follow by provinces, with 1940 figures in brackets: Manitoba 446,957(86,039) bushels; Saskatchewan 2,653,264(691,763); Alberta 2,691,190(636,449).

Marketings in the three provinces during the twenty-eight weeks ending February 14 aggregated 315,927,517 bushels as compared with 370,328,517 in the corresponding period of the previous crop year. Provincial figures follow, with 1940 totals in brackets: Manitoba 41,976,581(49,691,678) bushels; Saskatchewan 167,224,090(206,795,552); Alberta 106,726,846(113,841,267).

### Domestic Exports in January

Canada's domestic exports in January 1941 were valued at \$86,921,000 compared with \$90,100,000 in January, 1940. The value of commodities sent to the United Kingdom was \$35,652,000 compared with \$39,555,000 and to the United States \$36,043,000 as compared with \$28,809,000 in January, 1940.

Leading exports were as follows, with 1940 figures in brackets: newsprint \$9,763,000 (\$9,781,000); automobiles and parts \$7,299,000(\$2,687,000); pulpwood \$6,266,000(\$4,321,000); meats \$4,309,000(\$6,995,000); wheat \$3,973,000(\$9,250,000); fishery products \$3,445,000 \$3,024,000); furs \$2,461,000(\$2,151,000); chemicals \$2,429,000(\$2,631,000).

Other leading exports were: wheat flour \$1,243,000(\$2,612,000); rubber \$872,000 (\$1,652,000); cattle, except for stock \$1,079,000(\$512,000); cotton \$823,000(\$545,000); pigs, ingots \$1,931,000(\$566,000); rolling mill products \$795,000(\$230,000); farm implements \$502,000(\$641,000); other machinery \$735,000(\$829,000).

### Wool Production

Total wool production in Canada in 1940 was 18,127,000 pounds as compared with 17,846,000 in 1939. Shorn wool production amounted to 13,822,000 pounds, an increase of 253,000 pounds over the 1939 clip. An increase in the number of sheep shorn was responsible for the increase in shorn wool production. Cash income from the 1940 wool clip is estimated at \$2,329,000, a gain of \$892,000 over cash income from the 1939 clip.

Consumption of wool in Canada in 1940 amounted to 101,616,000 pounds, greasy basis, which is the highest figure in the last 10 years. Consumption in 1939 amounted to 64,900,000 pounds and for the five years, 1934 to 1938, averaged 61,958,000 pounds a year. The high level of consumption in 1940 resulted largely from Government orders for clothing for the armed forces.

## Bread and Other Bakery Products

In Canada for many years breadmaking was for the most part a domestic art, but with the development of towns and cities the baking of bread gradually passed from the domestic circle to the family baker. This continued for a long period, until at the beginning of the present century, a new phase was marked. With the advent of mechanical power and automatic processes, also the improvement in transportation, the bread industry has made rapid progress within the last decade.

In 1939 the gross value of these products was \$76,040,651, being a decline of \$2,494,682 from the 1938 production. The principal products of the industry, as indicated by their values, were in order of their importances, as follows: bread, \$51,263,436; pies cakes, cookies and pastries \$19,382,940; and buns \$4,276,759. It might be of interest to note that out of the \$34,391,725 paid out for materials, \$16,172,104 or 47 per cent was spent for 3,920,509 barrels of flour. A variety of other materials are used, listed among them being yeast, shortening, sugar, malt, milk, nuts, cocoanut, frozen eggs, oils, such as cottonseed, corn and soya bean.

It should be noted that hotels, restaurants and public institutions which baked their own bread are not required to report their operations, and statistics relating to these are therefore, not included.

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## Department Store Sales in January

Sales of department stores in January this year were 10 per cent higher than in the corresponding month of 1940, but fell to less than half the volume of business transacted in December. The decline from December was greater than the usual seasonal movement between these two months and reflects the reaction from the high level of consumer buying in the last month of the year.

The unadjusted index of sales on the base 1935-1939 equals 100 stood at 72.4 for January this year compared with 84.2 for January 1940 and 210.2 for December. The index numbers adjusted for differences in number of business days and also for seasonal movements as reflected in the normal experience of the past ten years stood at 122.6 for January 1941 compared with 132.2 for December and 112.6 for January, 1940.

In order to conform with other series of index numbers issued by the Dominion Bureau of Statistics, the monthly indexes of retail sales have been recomputed, using as base the average monthly sales over the five-year period 1935-1939 inclusive.

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## Production of Coal and Coke

During December, Canadian mines produced 1,643,092 tons of coal compared with 1,485,826 in December, 1939, while the five-year average for the month was 1,446,830. Preliminary estimate of the output during the calendar year 1940 is placed at 17,434,394 tons as compared with 15,692,698 in the previous year.

The December production of coke totalled 267,000 tons compared with 258,000 in November and 243,000 in December, 1939. Output during the calendar year 1940 aggregated 3,015,000 tons as compared with 2,410,000 in 1939.

Imports of coal in December aggregated 842,407 tons compared with 1,157,869 in December, 1939 and the five year average for the month of 943,080 tons. Exports of Canadian coal rose to 46,895 tons in December from 41,400 a year ago. Canada's supply of coal, based on production plus imports less exports, was computed at 2,438,614 tons in December compared with 2,602,295 a year ago.

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## Production of Concentrated Milk

The output of concentrated milk products in January amounted to 12,567,065 pounds being two per cent higher than in the previous month and 27 per cent higher than in January, 1940. Holdings of concentrated milk in cold storages, warehouses and dairy factories on February 1 totalled 12,973,181 pounds compared with 17,830,771 at the beginning of December and 13,864,958 on February 1, 1940.

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## Production of News Print

According to an estimate made by the News Print Service Bureau the production of news-print in Canada during January 1941 amounted to 261,298 tons and shipments to 243,394 tons. Production in the United States was 89,124 tons and shipments 84,141 tons, making a total United States and Canadian news print production of 350,422 tons and shipments of 327,535 tons. During January, 32,074 tons of news print were made in Newfoundland, so that the total North American production for the month amounted to 382,496 tons. Total production in January 1940 was 367,203 tons.

Canadian mills produced 10,266 tons more in January 1941 than in January 1940, which was an increase of slightly more than four per cent. The output in the United States was 4,998 tons or nearly six per cent more than in January 1940, in Newfoundland production was 29 tons heavier, making a total increase of 15,293 tons.

Stocks of news print paper at the end of January were 170,275 tons at Canadian mills and 18,438 tons at United States mills, making a combined total of 188,713 tons compared with 165,826 tons on December 31, 1940, and 192,380 tons at the end of January 1940. During the winter some tonnage is accumulating at points from which water shipments will later be made.

## Stocks of Sugar

During the first four weeks of January, Canada's ten sugar refineries manufactured 37,921,156 pounds of refined sugar, a decrease of 16,807,231 from the same period in 1940. The stocks on hand with small amounts purchased amounted to 266,050,488 pounds on January 25 as compared with 192,884,644 a year ago. Stocks of raw sugar on hand on January 25 totalled 144,452,957 pounds compared with 87,118,868 on the corresponding date last year.

## Cement Manufacturing Industry

Sales of cement by Canadian producers totalled 5,731,264 barrels valued at \$8,511,211 in 1939 compared with 5,519,102 at \$8,241,350 in 1938. Of the 1939 sales, 3,027,759 barrels were produced in plants in Quebec, 1,709,263 in Ontario, 343,717 in Manitoba, 377,846 in Alberta and 272,679 in British Columbia. The high and low prices per barrel in both 1939 and 1938 were \$2.35 and \$1.25, respectively.

## Automobile Production in January

Production of motor vehicles in January totalled 23,195 units compared with 23,364 in December and 17,213 in January, 1939. Output in the latest month included 11,990 passenger cars and 11,205 other motor vehicles. Of the passenger cars, 5,965 were 4-door sedans, 3,465 were 2-door sedans and 2,266 were closed coupes.

## Reports Issued During the Week

1. The Cement Industry, 1939 (25 cents).
2. Location and Capacity of flour and Feed Mills, 1940 (\$1.00).
3. Sugar Report - January 1 to 25, 1941 (10 cents).
4. Car Loadings (10 cents).
5. Automobile Production, January (10 cents).
6. Security Prices and Foreign Exchange (10 cents).
7. The Grain Situation in Argentina (10 cents).
8. Annual Review of Employment, 1940 (25 cents).
9. Living Costs in Canada, 1940 (25 cents).
10. The Bread and Other Bakery Products Industry, 1939 (25 cents).
11. Stocks of Canned Fruits and Vegetables, January 1, 1941 (10 cents).
12. Summary of Canada's Exports, January (10 cents).
13. Price Movements, January (10 cents).
14. Flour and Feed Milling Industries, 1939 (25 cents).
15. Department Store Sales, January (10 cents).
16. Canadian Grain Statistics (10 cents).
17. Production of Concentrated Milk, January (10 cents).
18. Wool Production, 1940 (10 cents).
19. Weekly Index Numbers of Wholesale Prices (10 cents).
20. Coal and Coke Statistics, December (10 cents).
21. Traffic Report of Railways, November (10 cents).
22. Domestic Exports by Principal Countries, January (10 cents).

