

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 bond yields, and
Speculation - common stock prices and shares traded. Notes on the indexes follow:

A minor recession was experienced in the railway traffic movement during the week of May 18. The adjusted index for the eastern division declined to 87.1 from 88.5, while the western section registered a slight improvement. The general index for the 20th week of the year stood at 83.2, a gain of nearly 13 p.c. over the standing in the same week of 1939. Heavier grain, newsprint, coal and merchandise shipments, as well as war supplies have contributed to the increased volume carried in the first twenty weeks of this year, the increase being no less than 110,500 cars. Total export clearances of wheat in the week ended May 17 were reported at 5,123,000 bushels, compared with 3,648,000 in the like week of 1939. The total clearances in the present crop year from August 1, 1939, amounted to 133,591,000 bushels, a gain of over 23 million bushels from the same period of the preceding crop year.

General wholesale prices moved still lower in the week under review, having declined for three consecutive weeks. Recessions were predominant in vegetable products, animal products, textiles and chemicals. Grains were particularly vulnerable to the serious reports from the war zone. Wheat No. 1 Northern averaged $13\frac{1}{2}$ cents lower in the week, while oats, flax, barley and rye shared fully in the decline. Governmental action was necessary to stem recession at Winnipeg. The authorities had expected that wheat at 90 cents would have removed the necessity of their supporting the market. New York commodity markets reflected uneasiness and declines were fairly general. Cotton and cocoa were considerably weaker but metal prices were maintained.

War news influenced security markets adversely in the week ended May 16, and the index of capitalized bond yields declined from 140.1 to 139.5. The 4½'s of 1947-57 declined from $107\frac{3}{4}$ to 107, while the 4's of 1947-52 dropped one point to $104\frac{1}{4}$. Other issues declined fractionally. The index of common stock prices receded sharply during the week, coinciding with the weakness at New York. The decline gained momentum on heavy trading on May 13 and 14, but on the final day of the week, practically all sections in the list participated in a moderate rally. All divisions in the composite index shared in the recession. The standing in the week under review was over 15 p.c. below that of the same week of 1939. Canadian mining stock markets likewise suffered the greatest set-back since the outbreak of hostilities last September. Accompanied by heavy liquidation, the general index declined nearly 10 p.c. in the week.

All factors showed decline from the preceding week, and a general index, computed by eliminating the long-term trend and weighting inversely the six indexes on the basis of their tendency to fluctuation, was 104.0 in the week of May 18, compared with 106.2 in the preceding week, and 101.8 in the week of May 20, 1939.

Weekly Index with the Six Components

1926-100

Week Ended	Car-loadings 1	Whole-sale Prices	Capitalized Bond Yields 2	Bank clear-ings 3	Prices of Common Stocks	Shares Traded	Weekly Index 4
May 20, 1939	73.8	73.6	146.4	87.8	98.9	71.3	101.8
May 11, 1940	83.9	82.8	140.1	100.5	91.8	85.2	106.2
May 18, 1940	83.2	81.2	139.5	95.5	83.6	67.6	104.0

1. The index of carloadings used in the compilation was for the week ended May 18, being the twentieth week of the year. The practice of projecting the index of carloadings has been discontinued. 2. Present value of a fixed net income in perpetuity from Dominion long-term bonds. 3. Bank clearings were smoothed by taking a three-weeks moving average.

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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. 4. 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 half-yearly data in the post-war period was eliminated from the composite and the resulting index expressed as a percentage of the average during 1926.

World Wheat Situation

After five months of comparatively stable wheat markets, Chicago and Winnipeg prices gave way with dramatic suddenness as the German army pushed through the Netherlands and Belgium into north-eastern France. Price declines in both markets were of record magnitude for the short period elapsed, and were reminiscent of the longer but slower price declines of May and August 1915, November 1916, September and November 1920, August 1921, and March and September 1925. From the close of the market on May 11 to the lows during the trading session on Saturday, May 18, Winnipeg futures had declined 29 to 29 5/8 cents, and Chicago futures had declined 32 1/8 to 34 cents. During the trading session on May 18, the Winnipeg Grain Exchange announced that at the request of the Canadian Government, wheat futures trading would be pegged at minimum levels equal to the prices ruling at the close of trading on May 17, effective from the close of trading on Saturday. The official announcement continued: "This action is taken as a temporary measure pending a full discussion with the Government." Following quickly upon this announcement, Secretary Wallace of the United States Department of Agriculture stated that a similar request would be made of grain exchanges in the United States, with the result that Chicago futures prices were pegged at Saturday's closing levels.

This joint action quickly restored confidence in the two markets. During the first three trading sessions of the present week trading has been resumed above the minimum or pegged levels. On Tuesday, May 21, the Minister of Trade and Commerce announced that the pegs would remain in the Winnipeg wheat futures pending further developments. Meanwhile, on Tuesday, the Argentine Government secured the cooperation of the Buenos Aires futures market in setting maximum limits on daily price fluctuations from the previous days' close, equivalent to four cents per bushel in either direction.

The factors influencing the unprecedented liquidation of last week were predominantly the new war developments, the disruption of overseas markets for wheat for the time being in the Netherlands and Belgium and, in addition, pressure from the liquidation of exports contracts with these countries which were of necessity cancelled. Meanwhile, there was little in the crop news of an offsetting nature. Rather, on May 10, the official estimate had recorded an improvement in United States winter wheat prospects during April somewhat beyond earlier expectations. Since May 1, the appearance of frost damage, as well as the development of rust in Texas, have been mostly local in nature, although the contingency remains that the rust may spread northward into more susceptible areas. In addition to the United States winter wheat crop progress, Canadian farmers at April 30 were planning on a six per cent increase in the Canadian wheat acreage for 1940, and only the late seeding conditions which have prevailed since that date were likely to alter the growers' April 30 intentions. Argentina is reported to be planning a full wheat acreage this year. In Australia, however, the Government has counselled a reduction in acreage because of the existing surplus in that country and the shipping difficulties involved at present in its disposal.

Canadian exports of wheat and wheat flour have continued to move in volume well up to expectations. Based on the overseas wheat clearances, United States imports and flour exports, partly estimated, the total export movement for the crop year up to May 16 amounts to 158.5 million bushels. In order to fulfil the 210 million bushel forecast for wheat and flour exports for the whole crop year, exports will need to be made at the rate of 21 million bushels per month for the next two-and-a-half months.

In looking more particularly into the question of our wheat and flour trade with the invaded and otherwise controlled countries of Europe, the following countries may at the moment be regarded as beyond reach of Canadian supplies: Poland, Estonia, Latvia, Lithuania, Finland, Sweden, Denmark, Netherlands and the greater part of Norway and Belgium. The countries mentioned have widely varying wheat requirements, and Canada's wheat trade with them has varied with their requirements.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces for the week ending May 17 amounted to 1,589,672 bushels compared with 1,682,523 in the previous week and 1,288,097 in the corresponding week last year. By provinces the receipts were as follows, with figures for 1939 in brackets: Manitoba, 158,697(174,775) bushels; Saskatchewan, 857,589(654,227); Alberta, 573,386(459,095).

Marketings during the 41 weeks ending May 17 aggregated 390,806,373 bushels in comparison with 275,463,431 in the corresponding period last year, the totals being as follows by provinces with 1939 totals in brackets: Manitoba, 51,628,836(42,534,692); Saskatchewan, 217,897,935(110,376,496); Alberta, 121,280,202(122,552,243).

Overseas Export Clearances of Wheat

Overseas export clearances and imports of Canadian wheat into the United States during the week ending May 17 totalled 5,123,222 bushels compared with 3,647,808 in the same week last year, while the total during the 41 weeks ending May 17 was 133,590,776 bushels in comparison with 110,449,096 in the same period of the previous crop year.

Wheat Stocks in Store

Canadian wheat in store on May 17 totalled 288,249,190 bushels in comparison with 293,553,956 on May 10 and 123,602,062 on May 19, 1939. The amount in store in the United States was 20,302,695 bushels against 18,780,717 a week ago and 1,985,000 a year ago. For the week ending May 17, the amount of wheat in transit on the lakes was 7,024,006 bushels in comparison with 4,935,976 bushels a year ago, while the amount in transit by rail was 6,788,625 bushels as against 10,258,836.

Production of Iron and Steel

Production of pig iron in April totalled 84,210 long tons compared with 91,772 in the previous month and 46,254 in April, 1939. Output in the current month included 67,149 tons of basic iron, 12,683 of foundry iron and 4,378 of malleable iron. Output of steel ingots and direct steel castings in April amounted to 153,451 tons compared with 157,326 in March and 99,752 in April, 1939. The latest month's output included 147,378 tons of ingots and 6,073 of castings. Production of 13,989 tons of ferro-alloys in April marked a sharp increase over the March total of 8,298 tons and 4,284 of April, 1939.

Production of Cement and Lime in February

Shipments of Portland cement in February were recorded at 204,287 barrels compared with 190,575 in the preceding month and 118,605 in February, 1939. The production of lime totalled 47,472 tons against 51,863 in January and 32,892 in the corresponding month last year.

Petroleum and Natural Gas Production

Crude petroleum and natural gasoline production in Canada during February rose to 655,586 barrels from the January total of 466,859 and the February 1939 output of 358,176 barrels. During the first two months of 1940, 1,142,445 barrels were produced as against 891,342 a year ago.

The February output in Alberta amounted to 639,952 barrels, consisting of 637,286 from the Turner Valley Field, 976 from the Red Coulee Field, 900 from the Wainwright-Ribstone Field and 790 from the Del Bonita Field. According to the Alberta Provincial Government, the Anglo-Canadian number seven well and the Southwest Pete number three were completed during the month.

The output of natural gas advanced in February to 4,290,250,000 cubic feet from the February 1939 total of 4,114,943,000, but was lower than the January figure of 4,865,120,000 cubic feet. During January and February this year, 9,155,370,000 cubic feet were produced in comparison with 8,233,122,000 in the same period of 1939.

Gold Production in February

The Canadian production of gold in February amounted to 405,365 ounces valued at \$16,505,553. Output in the previous month totalled 424,381 ounces and in February last year 390,963 ounces. Production during January and February this year aggregated 829,746 ounces valued at \$31,945,221 in comparison with 802,291 worth \$28,278,608 in the same period of 1939.

The production by provinces was as follows in February, with figures for the previous month in brackets: Ontario, 259,682 (266,037) ounces; Quebec, 80,607 (83,505); British Columbia, 40,376 (43,891); Manitoba and Saskatchewan, 19,422 (21,625); Yukon and Northwest Territories, 4,120 (6,724); Nova Scotia, 1,152 (2,585). In addition to new gold, the Royal Canadian Mint received in February jewellery and scrap containing 822 ounces of gold compared with 1,516 in January.

Gypsum Production in February

The Canadian production of gypsum in February totalled 56,689 tons compared with 64,252 in the previous month and 5,331 in February, 1939. Output during the first two months of 1940 amounted to 120,941 tons in comparison with 23,794 in the corresponding period last year.

Canada's Tourist Trade in 1939

Tourists visiting Canada in 1939 spent an estimated total of \$274,771,000 in comparison with \$281,850,000 in 1938. Visitors from the United States expended \$262,358,000 compared with \$267,167,000 and travellers from overseas countries a total of \$12,413,000 as compared with \$14,683,000 in 1938. The estimated expenditures of Canadian travellers abroad in 1939 totalled \$108,796,000 as compared with \$121,958,000 in 1938.

Travel flows across the international boundary by automobile, bus, railway, steamer, ferry, aeroplane and afoot. In 1939 more than 16,000,000 visitors crossed into Canada by these various modes of travel. A large proportion of the expenditures made by visitors from the United States was accounted for by those who travelled by automobile, the total in 1939 being \$168,607,000 in comparison with \$177,890,000 in 1938.

Motorists entering on a 48-hour permit in 1939 spent an estimated total of \$55,677,000 and those on 60-day and six-month permits \$112,930,000. Corresponding estimates for 1938 were \$60,619,000 and \$117,271,000, respectively. The per capita average for motorists on 48-hour permits declined from \$22.45 in 1938 to \$21.34 in 1939, while that of the 60-day permit holders declined from \$23.92 to \$23.15, and that of the six-month permit holder fell from \$183.00 to \$167.26.

The volume of rail travel to Canada increased by three per cent in 1939, 780,476 persons entering from the United States in 1939 compared with 757,860 in 1938, with expenditures estimated at \$15,399,000 compared with \$13,378,000.

In addition to motorists and rail and boat travellers from the United States, visitors came by ferry, bicycle, commercial vehicles, aeroplane, bus or afoot. The total number travelling by these methods is roughly estimated at 2,754,000 and their expenditures at approximately \$21,000,000 as compared with \$20,000,000 spent by 2,623,000 in 1938.

The total expenditures of Canadian travellers in the United States are estimated at \$94,699,000 as compared with \$102,001,000 in 1938, and the total expenditures in all countries at \$108,796,000 as compared with \$121,958,000.

Financing of Motor Vehicle Sales in April

Financing of motor vehicle sales was heavier in April, the sales of 19,902 units being financed to the extent of \$8,663,644 compared with 12,692 for \$5,468,912 in March and 16,223 for \$6,913,295 in April, 1939. During the four months ending April 30, 50,032 motor vehicles were financed to the extent of \$21,882,654 as compared with 40,131 for \$16,993,671 in the same period of 1939.

Domestic Exports in April

Canada's domestic exports recorded a further important gain in April, totalling \$83,565,008 in comparison with \$50,311,424 in April, 1939. Sharp advances in exports to the United Kingdom, the United States, France, Australia, New Zealand, British South Africa and a considerable decline to Japan were the outstanding features of the month's trade.

The United Kingdom was the heaviest purchaser of Canadian commodities during the month, the total being \$37,498,504 compared with \$16,956,362; the United States was next at \$29,735,513 compared with \$20,884,214, Australia \$2,108,044 compared with \$1,596,966, France \$1,928,851 against \$281,463, New Zealand \$1,342,498 against \$862,771, British South Africa \$1,132,991 against \$873,331 and Japan \$1,118,847 against \$2,731,847.

Other leading purchasers were as follows, with April 1939 figures in brackets: Norway, \$661,209(\$301,541); Newfoundland, \$647,567(\$304,780); Belgium, \$606,694(\$238,811); Argentina, \$505,986(\$42,364); Trinidad and Tobago, \$420,962(\$183,714); China, \$365,662(\$522,160); Jamaica, \$353,719(\$178,487); Mexico, \$340,472(\$195,158); Netherlands \$332,431(\$200,816); Brazil, \$330,266(\$209,163); Hong Kong, \$313,536(\$95,299); British India \$310,119(\$242,660); Portuguese Africa, \$236,418(\$50,409); Straits Settlements, \$230,340(\$156,842).

Among the commodities, widespread gains were shown, chief of which were as follows, with April, 1939, figures in brackets: newsprint paper, \$12,318,000(\$6,955,000); meats \$5,504,000(\$2,087,000); nickel, \$5,847,000(\$4,589,000); copper, \$4,958,000(\$3,841,000); wheat \$4,771,000(\$1,646,000); wood pulp \$4,353,000(\$2,029,000); planks and boards, \$3,862,000(\$2,522,000); aluminium \$3,829,000(\$1,935,000); wheat flour, \$2,167,000(\$825,000); fishery products, \$2,072,000(\$1,265,000); unmanufactured leather, \$1,285,000(\$479,000); asbestos, \$1,301,000(\$686,000); furs, \$1,074,000(\$476,000); rubber \$1,031,000(\$1,205,000); cattle \$1,336,000(\$2,173,000).

Exports of other leading commodities were as follows: fruits \$734,000(\$190,000); vegetables, \$738,000(\$175,000); alcoholic beverages, \$670,000(\$451,000); cheese \$458,000(\$55,000); cotton \$637,000(\$243,000); silk \$268,000(\$265,000); shingles, red cedar \$746,000(\$644,000); pigs, ingots, etc. \$352,000(\$313,000); rolling mill products \$260,000(\$431,000); farm implements, \$759,000(\$354,000); automobiles and parts \$590,000(\$1,188,000); lead, \$964,000(\$834,000); silver, \$621,000(\$295,000); stone \$589,000(\$342,000); fertilizers \$898,000(\$616,000); soda compounds, \$388,000(\$432,000); electrical energy \$334,000(\$362,000).

Sales of Farm Implements and Equipment

Although the upward trend which characterized the farm implement trade in Canada during recent years was not continued in 1939, nevertheless, sales for the year were maintained within narrow limits of the 1938 volume and were still substantially higher than the level of 1937. Domestic sales at wholesale prices to dealers totalled \$33,927,654 for 1939, down 6.3 per cent from the \$36,213,382 recorded for 1938. These figures relate to the sale of new equipment and machinery only and they are exclusive of parts, binder twine and motor trucks.

The trend in sales between 1938 and 1939 was not uniform for all sections of the country, increased sales being indicated in the Maritime Provinces and Saskatchewan and declines in all other provinces. Sales in the Maritime Provinces at \$1,083,168 for 1939 were 16 per cent above 1938. Saskatchewan sales gained nine per cent to \$8,508,410. Minor decreases of one and two per cent were reported for Alberta and Quebec, respectively. Ontario sales were down by five per cent, British Columbia nine and Manitoba 34 per cent.

Canal Traffic in April

Traffic on canals in April was somewhat heavier than in April 1939, Sault Ste. Marie Canals, Canadian and United States locks, reporting a tonnage of freight at 1,147,848 tons compared with 1,17,230, Welland Ship Canal 448,678 tons compared with 199,512 and the St. Lawrence Canals 267,757 tons compared with 49,761.

Stocks of Canned Fruits and Vegetables

Stocks of canned fruits held by canners, wholesale dealers and chain store warehouses on April 1, 1940, totalled 1,325,211 cases compared with 1,782,685 on January 1, and 1,255,753 on April 1, 1939. The stocks of canned vegetables amounted to 2,792,110 cases in comparison with 4,436,558 on January 1 and 5,424,441 a year ago.

Reports Issued During the Week

1. Automobile Industry, 1939 (10 cents).
 2. Domestic Exports to Principal Countries, April (10 cents).
 3. Advance Report on the Manufacturing Industries, 1938 (25 cents).
 4. Car Loadings (10 cents).
 5. Production of Asphalt Roofing, April (10 cents).
 6. Sales of Asphalt Roofing, April (10 cents).
 7. Summary of Canada's Exports, April (10 cents).
 8. The Nickel-Copper Mining, Smelting and Nickel Refining Industry, 1939 (25 cents).
 9. Monthly Review of the Wheat Situation (10 cents).
 10. Car Loadings on Canadian Railways (10 cents).
 11. Production of Iron and Steel, April (10 cents).
 12. Chemicals and Allied Products Group, 1939 (15 cents).
 13. Cement, Clay Products and Lime, February (10 cents).
 14. Sales of Farm Implements and Equipment, 1939 (25 cents).
 15. Weekly Index Numbers of Wholesale Prices (10 cents).
 16. Preliminary Report on the Stocks of Canned Fruits and Vegetables, April 1 (10 cents).
 17. Canada's Tourist Trade, 1939 (25 cents).
 18. Castings and Forgings Industry, 1938 (25 cents).
 19. Security Prices and Foreign Exchange (10 cents).
 20. Summary of Canal Traffic, April (10 cents).
 21. Monthly Financing of Motor Vehicle Sales, April (10 cents).
 22. Gypsum Production, February (10 cents).
 23. Gold Production, February (10 cents).
 24. Petroleum and Natural Gas Production, February; Gasoline Sales, January (10 cents).
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