

WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce

Vol. VIII - No. 22

Ottawa, Saturday, June 1, 1940

Price \$1.00 per annum

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.

The railway traffic movement showed a slight gain after seasonal adjustment during the twenty-first week of the year ended May 25th, the index rising two points to 85.2. Freight loadings in the first 21 weeks of the year were 1,013,302 cars against 894,483 in the same period of last year. Each of the eleven commodity classes, except other forest products, recorded gains in this comparison. The smoothed index of the physical volume of business recorded a gain of 3.2 p.c. in April over the preceding month. A new high point was reached in that month, appreciable gain having been shown over March. The export trade of the Dominion, excluding gold, rose from \$250 million to \$331 million in the corresponding period this year, a gain of 32.5 p.c. for the four month period.

The decline shown in wholesale prices reflected the changed outlook in farm products and textiles. The index of crop products dropped from 72.3 in the preceding week to 70.1 in the week of May 24, while animal products receded from 76.0 to 75.3. A minor decline was shown in textiles, the index standing at 83.2 in the week of May 24th. The other main groups of the official classification were unchanged. A decline in the index of 18 sensitive commodities was about 5 points to 124.7. The price of No. 1 Northern wheat dropped from 75 1/3 in the week of May 18 to 72 1/8 in the week of May 25th. A gain was recorded in oats, while other coarse grains receded to a lower position.

Common stock prices declined further on the Canadian exchanges during the week of May 23. The general index was 75.3 against 83.6 in the preceding week. Declines were recorded in each of the groups of the official classification. The index of power and traction stocks dropped from 52.8 to 48.6. The high-grade bond market showed recession but the decline was of relatively moderate proportions. The recession from the preceding week in the index of capitalized bond yields was limited to 0.3 p.c., while a decline of 5 p.c. was shown from the same week of 1939. The adjusted index of bank clearings was fully maintained in the week of May 25th. The index was 103.9, unchanged from the revised standing in the preceding week. Speculative trading was heavy in the week of May 18th, far exceeding that of the preceding week or of the same week of 1939.

The general index computed by eliminating the long-term trend and weighting inversely the six indexes on the basis of their tendency to fluctuation was 105.9 in the week of May 25, against 105.4, the revised standing for the preceding week and 102.1 in the same week of 1939.

Weekly Index with the Six Components
1926=100

Week Ended	Car loadings ¹	Whole-sale Prices	Capitalized Bond Yields ²	Bank Clearings ³	Prices of Common Stocks	Shares Traded	Weekly Index ⁴
May 27, 1939	70.9	73.5	146.4	93.9	99.0	48.2	102.1
May 18, 1940	83.2	81.9	139.5	103.9*	83.6	67.6	105.4*
May 24, 1940	85.2	81.2	139.1	103.9	75.3	279.8	105.9

* Revised

1. The index of carloadings used in the compilation was for the week ended May 25 being the twenty-first 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 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.

Business Operations in April

Business operations recorded an advance in April over the preceding month and over the same month of 1939. A marked gain was recorded in the index of the physical volume of business but the increase was artificial due to an alteration in the method of compiling external trade statistics. The level of business operations is partially measured by the imports of raw materials and the exports of certain finished commodities. The abandonment of the fiscal year in the compilation of external trade statistics consequently affected the results. The seasonal indexes were computed during a period when the external trade statistics were compiled on the fiscal year basis, affecting the results for both March and April. Providing a three-months moving average is taken of the crude index for the physical volume of business, a new high point was reached in April, an appreciable gain having been shown over March. The smoothed index for April recorded a gain of 3.2 per cent over the preceding month.

Coal production in April was 1,252,000 tons against 1,325,000 in March. After seasonal adjustment the index moved up from 102.4 to 120.7. Gold receipts at the Mint were 481,995 fine ounces against 355,571 in March. Gold receipts were consequently at a new high point in history, the index advancing from 305.3 to 468.3.

The manufacture of sugar was 59.7 million pounds against 34.9 million, the gain in the index having been from 62 to 112. Inspected slaughterings were considerably accelerated in April, the index advancing from 156 to 177. The increase in dairy production was greater than normal for the season. The net result was a gain in the foodstuffs index from 121.8 to 134.3.

The release of cigarettes was 648.7 million against 533.4 million in March, while the release of cigars advanced from 10.4 million to 13.6 million. Raw cotton consumption was 15.1 million pounds against 16.1 million, the index receding from 207 to 168. Production of newsprint was 268,947 tons against 251,279 in March. The index after seasonal adjustment was nearly maintained at 167.3.

The output of steel ingots and castings was steady in April at about the same level as the preceding month. The production was 153,451 tons against 157,326, the index receding from 213.7 to 213.1. Pig iron production was 84,210 tons against 91,772, a decline in the index of 6 points to 139.2 having been shown. The output of automobiles was 19,687 against 16,612 units. After seasonal adjustment, the index moved up from 71 to 76. Coke production was 237,110 tons, the index advancing from 141 to 149.

Contracts awarded were \$25.9 million against \$11.7 million, the index moving up from 66 to 109. Building permits also showed an increase from 5.6 million to 9.9 million. The gain in the index was about 19 points to 69.6. A considerable advance was shown in the index of electric power production, the standing having been 247 against 239. The increase in the index of carloadings was about 11 points to 84.6. The gain in the index of trade employment was less than normal for the season.

Business Indexes in April compared with March, 1926=100

	1940	
	April	March
Physical Volume of Business.....	151.0*	123.0*
Three Months Moving average.....	135.1	130.9
Industrial Production.....	159.8	127.0
Mineral Production.....	318.7	185.7
Copper exports.....	931.8	378.7
Nickel exports.....	555.7	252.1
Zinc exports.....	396.8	189.8
Gold, mint receipts.....	368.3	305.3
Silver shipments.....	171.4	96.0
Asbestos exports.....	204.5	120.5
Bauxite imports.....	145.5	105.2
Coal production.....	120.7	102.4

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Business Indexes in April compared with March, 1926=100

	1940	
	April	March
Manufacturing.....	142.4	123.3
Foodstuffs.....	134.3	121.8
Flour production.....	-	88.0
Oatmeal production.....	-	38.8
Sugar manufactured.....	111.5	61.9
Inspected slaughterings.....	177.2	155.5
Cattle.....	159.2	126.8
Sheep.....	132.3	137.4
Hogs.....	193.0	176.2
Creamery butter.....	153.9	140.3
Factory cheese.....	191.6	184.9
Salmon exports.....	176.9	42.4
Tobacco.....	219.2	190.6
Cigar releases.....	103.5	87.0
Cigarette releases.....	273.9	238.7
Rubber imports.....	213.8	121.5
Boots and shoes production.....	-	118.6
Textiles.....	246.5	206.1
Cotton consumption.....	167.8	207.4
Cotton yarn imports.....	253.8	127.3
Wool imports.....	619.4	230.3
Forestry.....	152.0	119.0
Newsprint.....	167.3	168.0
Wood pulp exports.....	134.6	68.2
Planks and boards exports.....	134.1	72.2
Shingles exported.....	187.2	90.5
Iron and steel.....	109.5	100.4
Steel production.....	213.1	213.7
Pig iron production.....	139.2	145.2
Iron and steel imports.....	124.3	78.8
Automobile production.....	76.1	71.1
Coke production.....	149.1	141.2
Crude petroleum imports.....	220.9	151.2
Construction.....	97.4	61.2
Contracts awarded.....	108.6	65.6
Building permits.....	69.6	50.3
Cost of construction.....	96.6	96.5
Electric power.....	247.1	239.0
Distribution.....	125.7	111.5
Trade employment.....	140.4	141.7
Carloadings.....	84.6	73.4
Imports.....	136.6	83.5
Exports, excluding gold.....	169.5	96.8
Producers' Goods.....	152.8	108.4
Consumers' Goods.....	132.1	124.0
Marketings -	-	-
Grain and Live Stock Marketings.....	60.4	36.7
Grain Marketings.....	53.4	29.2
Wheat.....	56.2	26.7
Oats.....	79.0	97.7
Barley.....	23.4	31.6
Flax.....	3.3	9.6
Rye.....	44.6	42.9
Live Stock Marketings.....	91.7	70.1
Cattle.....	85.1	69.1
Calves.....	177.8	107.1
Hogs.....	89.3	64.3
Sheep.....	103.4	86.3
Cold Storage Holdings.....	215.1	191.3
Eggs.....	208.0	216.4
Butter.....	420.4	317.3
Cheese.....	93.4	91.6
Beef.....	214.0	200.5
Pork.....	163.1	157.2
Mutton.....	167.6	152.1
Poultry.....	224.4	221.7
Lard.....	91.2	95.0
Veal.....	235.3	268.6

Owing to a change in the period covered by the monthly export and import statistics, March 1940 figures show a considerable artificial reduction, and April 1940 shows a considerable artificial increase as compared with the same months in previous years.

Canada's External Trade in April

A sharp upswing was recorded in April in the value of Canada's external trade when the total was \$170,672,197 compared with \$160,199,036 in March and \$92,895,200 in April, 1939. Both imports and domestic exports were up considerably, although the gain in imports was more outstanding.

Imports totalled \$85,979,519 compared with \$76,733,896 in March and \$41,908,347 in April, 1939, while domestic exports were valued at \$83,565,008 compared with \$82,719,395 in March and \$50,311,424 in April, 1939. Foreign exports were valued at \$1,127,670 compared with \$745,745 in March and \$675,429 a year ago.

The amount of duty collected during the month was \$11,518,132 as compared with \$9,702,993 in March and \$5,873,315 a year ago.

It should be noted that owing to a change in the period covered by the monthly export and import statistics, figures for March showed a considerable artificial reduction and April a considerable artificial increase as compared with the same months in previous years.

Exports of Farm Implements and Machinery

Canada exported farm implements and machinery in April to the value of \$759,000 in comparison with \$354,000 in April, 1939. Purchases by the United Kingdom totalled \$243,408, the United States \$187,432, British South Africa \$71,835, Argentina \$43,153, Southern Rhodesia \$30,829 and Australia \$27,816.

Exports of Cheese in April

Exports of Canadian cheese in April were at a higher level, totalling 22,934 cwt. valued at \$458,123 as compared with 3,766 at \$55,417 in April, 1939. The United Kingdom took 20,266 cwt., Trinidad 656, Jamaica 551, Belgium 336, British Guiana 235, the United States 208 and Newfoundland 203 cwt.

Exports of Newsprint Paper in April

Exports of newsprint paper in April were considerably heavier, amounting to 5,277,676 cwt. valued at \$12,317,752 as compared with 3,247,041 at \$6,955,061 in April, 1939. Shipments to the United Kingdom aggregated 4,245,108 cwt., to Australia 265,957, New Zealand 167,261, Argentina 192,460, United Kingdom 125,677, British South Africa 55,596 and Mexico 53,241.

Exports of Planks and Boards

Canada's April exports of planks and boards were valued at \$3,862,000 as compared with \$2,522,000 in April, 1939. Exports to the United Kingdom were worth \$1,717,000 and to the United States \$1,489,000. Douglas fir planks and boards were exported to the value of \$1,660,243, spruce \$1,054,127, pine \$285,873, birch \$268,710, cedar \$333,024, hemlock \$222,077 and maple \$26,305.

Exports of Non-Ferrous Metals

Exports of Canadian non-ferrous ores and smelter products in April, excluding gold, were valued at \$19,519,000 as compared with \$13,474,000 in April, 1939. The total to the United Kingdom was \$12,012,000 compared with \$6,040,000 and to the United States \$4,367,000 against \$3,058,000.

May Employment Situation

Industrial activity at May 1 showed a decidedly upward movement which resulted in a higher level of employment than at the same date in any other year for which statistics are available, with the exception of 1929. The staffs of the 11,970 co-operating establishments aggregated 1,117,547 as compared with 1,094,600 at the first of April. This was an increase of 22,947 persons, or 2.1 p.c., a gain which slightly exceeded the average for May 1 in earlier years of the record. Based on the 1926 average as 100, the crude index rose from 111.9 at April 1 to 114.3 at May 1. For May 1 last year 11,607 firms had furnished data, showing that they employed 1,030,713 persons, at which time the crude index stood at 106.2.

Manufacturing reported substantial seasonal improvement, which carried the index to a new high level. Standing at 125.7 per cent of the 1926 average, this figure compared favourably with the previous maximum of 123.4 at April 1; in the period from 1920 until the expansion which followed the outbreak of war last autumn, the high indexes had been those of 121.7 at October 1, 1937, and 121.6 at August 1, 1929. The largest increases at the date under review were in the food, lumber, pulp and paper, clay, glass and stone and iron and steel divisions, but many others shared in the upward movement. The exceptions were the leather and tobacco groups.

Following an extremely active winter, logging camps showed seasonal curtailment on a scale that has rarely been exceeded at May 1 in the years since 1920; nearly 8,700 men were laid-off from the co-operating camps. Coal mining also released a considerable number of workers, although the general loss was below average. The remaining non-manufacturing divisions reported substantial improvement, the most noteworthy being in construction and transportation.

In comparison with April 1 heightened activity was indicated in all provinces except Prince Edward Island, the increases in staff ranging from 0.3 per cent in Nova Scotia to 9.8 per cent in Saskatchewan, while the largest increases in personnel reported were those of 3,850 in British Columbia, 5,000 in Quebec and 8,700 in Ontario. In the Maritime and Western Provinces, the level of employment was higher than at May 1 in any other year since 1930; in Ontario, the favourable comparison goes back to 1929, while the index in Quebec was higher than in any other May for which statistics are available.

Wheat Stocks in Store

Canadian wheat in store on May 24 totalled 284,228,773 bushels compared with 288,249,190 on May 17 and 119,754,329 on May 26, 1939. The amount in store in the United States was 20,577,807 bushels compared with 20,302,695 a week ago and 2,508,000 a year ago. Wheat in transit on the lakes totalled 7,513,382 bushels compared with 4,392,331 last year, while the amount in transit by rail was 5,370,321 bushels compared with 7,553,671.

Overseas Export Clearances of Wheat

Overseas export clearances and imports of Canadian wheat into the United States for consumption and milling in bond amounted to 4,995,011 bushels during the week ending May 24 as compared with 3,758,564 in the corresponding week last year. The accumulated total from August 1 to May 24 was 138,585,787 bushels compared with 114,207,660 in the same period of the previous crop year.

Primary Movement of Wheat

Wheat marketings in the Prairie Provinces during the week ending May 24 totalled 1,146,629 bushels compared with 1,672,350 in the previous week and 1,102,829 in the corresponding week last year. By provinces the receipts were as follows with 1939 figures in brackets: Manitoba, 84,878 (197,042) bushels; Saskatchewan, 641,857 (528,978); Alberta, 419,894 (376,809).

Marketings in the three provinces during the 43 weeks ending May 24 aggregated 392,035,680 bushels in comparison with 276,566,260 in the same period last year. The totals were as follows by provinces, with figures for 1939 in brackets: Manitoba, 51,721,814 (42,731,734) bushels; Saskatchewan, 218,603,058 (110,905,474); Alberta, 121,710,808 (122,929,052).

Gross Value of Agricultural Production

The gross value of commodities produced on Canadian farms in 1939 is estimated at \$1,170,943,000 as compared with \$1,062,645,000 in 1938, an increase of \$108,298,000 or 10.2 per cent. The gain is accounted for largely by increases in value estimated at 15.3 per cent for field crops and 24.8 per cent for farm animals. Small increases are also shown in the value of poultry products and flax and wool. These increases are in part offset by decreases shown in the value of dairy products, fruits and vegetables, tobacco, fur farming, maple products, honey, clover and grass seed.

Values for 1939, by provinces, in order of magnitude, were as follows, with the 1938 estimates in brackets: Ontario \$365,614,000 (\$341,309,000); Saskatchewan \$213,412,000 (\$144,559,000); Quebec \$203,429,000 (\$197,747,000); Alberta \$173,139,000 (\$173,520,000); Manitoba \$95,052,000 (\$87,632,000); British Columbia \$43,828,000 (\$43,231,000); New Brunswick \$32,076,000 (\$29,676,000); Nova Scotia \$28,803,000 (\$30,621,000); Prince Edward Island \$15,590,000 (\$14,350,000).

Production of Concentrated Milk

The production of concentrated milk in April totalled 16,845,445 pounds, comprising 13,378,657 pounds of concentrated whole milk products and 3,466,788 of by-products. The April production showed gains of 35 per cent over the previous month and 27 per cent over April, 1939. Total production during the four months ended April was 48,496,121 pounds compared with 36,032,496 in the same period of 1939.

Output of Central Electric Stations

The production of electric energy in Canada in April totalled 2,398,722,000 kilowatt hours as compared with 2,426,157,000 in March and 2,197,379,000 in April, 1939, according to the latest report on central electric stations. Exports to the United States advanced to 170,600,000 kilowatt hours from 155,402,000 in March and 141,523,000 in April, 1939. Deliveries of secondary power to electric boilers dropped to 393,548,000 kilowatt hours from 435,316,000 in March and 496,714,000 a year ago. The consumption of firm power was computed at 1,634,573,000 kilowatt hours as against 1,560,142,000 in April, 1939.

Traffic on Railways in Canada

Revenue freight originated at Canadian stations and received from foreign connections during February amounted to 6,949,182 tons compared with 5,121,860 in February, 1939. The large increase was in wheat which was heavier by 275 per cent. Total agricultural products were heavier by 830,854 tons, animal products by 24,597, mine products by 277,914, forest products by 219,247, and manufactures and miscellaneous 474,710 tons.

Sales of New Motor Vehicles in April

Sales of new motor vehicles in April, excluding deliveries to the Government for war purposes, numbered 13,800 vehicles with a retail value of \$20,773,009 compared with 17,368 retailing for \$18,752,966 in April, 1939. Sales for the first four months of 1940 were higher than those in the same period last year by 29 per cent, totalling 50,530 new vehicles valued at \$56,143,981 compared with 39,188 units valued at \$42,839,697.

Retail Prices, Rents and Costs of Services

The index number of retail prices, rents and costs of services on the base 1926=100 declined from 85.7 in March to 85.6 in April, as a result of a moderate recession in the food group, the index of 46 food items moving down from 78.5 to 78.3. Retail food prices in April were 4.5 per cent above the August 1939 level. During the same period wholesale foods advanced approximately 12 per cent. Between March and April moderate gains occurred in bacon, cooked ham, fish, butter, potatoes, tea and salt, but these were more than offset by easier quotations for sirloin beef, veal, mutton, salt pork, lard, eggs, coffee and cocoa.

Bank Debits in April

With each of the five economic areas reporting gains, the amount of cheques cashed in the clearing centres of Canada in April was nearly 19 per cent greater than in the same month of 1939, the total being \$2,938,000,000 as compared with \$2,473,000,000. During the first four months of 1940 the total was \$10,981,000,000 compared with \$9,463,000,000 in the same period of 1939, a gain of 16 per cent.

The totals by economic areas were as follows in April, with figures for 1939 in brackets: Maritime Provinces, \$66,986,095 (\$46,427,910); Quebec, \$827,170,978 (\$821,530,410); Ontario, \$1,328,235,710 (\$1,134,072,204); Prairie Provinces, \$539,541,418 (\$311,269,503); British Columbia, \$176,363,635 (\$159,731,396).

Building Permits in April

A total of 164 Canadian municipalities issued building permits to the value of \$9,916,639 in April. Revised figures for March show that 197 municipalities issued permits to the value of \$5,504,166. Comparison with 1939 is not possible due to the fact that a greater number of municipalities now report their activities in the building line.

Births, Deaths and Marriages in April

The increase in the number of marriages performed in 67 cities and towns having a population of 10,000 and over, which has been a feature for some few past months, was continued in April when the number registered was 4,011 compared with 2,931 in April, 1939, a gain of 37 per cent. Births increased to 7,531 from 7,375 and deaths to 4,613 from 4,401.

Reports Issued During the Week

1. Canadian Grain Statistics (10 cents).
 2. Trade of Canada, April (10 cents).
 3. Nutritive Values of Wage-Earner Family Food Purchases (25 cents).
 4. Births, Deaths and Marriages, April (10 cents).
 5. Telegraphic Crop Report, Prairie Provinces (10 cents).
 6. Weekly Index Numbers of Wholesale Prices (10 cents).
 7. Bank Debits to Individual Accounts, April (10 cents).
 8. List of Telegraphic Crop-Reporting Correspondents (10 cents).
 9. Building Permits, April (10 cents).
 10. Iron Oxides, 1939 (15 cents).
 11. The May Employment Situation (10 cents).
 12. Exports of Canadian Milk, Milk Products and Eggs, April (10 cents).
 13. Exports of Rubber and Insulated Wire and Cable, April (10 cents).
 14. Exports of Non-Ferrous Ores and Smelter Products, April (10 cents).
 15. Exports of Paints and Varnishes, April (10 cents).
 16. Exports of Lumber, April (10 cents).
 17. Exports of Pulpwood, Wood Pulp and Paper, April (10 cents).
 18. Prices and Price Indexes, April (10 cents).
 19. Sales of New Motor Vehicles, April (10 cents).
 20. Security Prices and Foreign Exchange (10 cents).
 21. Output of Central Electric Stations, April (10 cents).
 22. Production of Concentrated Milk, April (10 cents).
 23. Value of Agricultural Production and Value of Farm Capital, 1939 (10 cents).
 24. Monthly Traffic Report of Railways, February (10 cents).
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