

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 traffic movement showed a marked increase in the week ended June 22. A moderate advance was shown in the Eastern division over the preceding week, while the marked gain in the Dominion total was mainly due to acceleration in the Western division. The index, after seasonal adjustment, was higher than in any other week in recent years.

Wholesale prices showed a recession in the third week of June, the index declining from 81.8 to 81.5. Recessions were shown in crop and animal products and non-ferrous metals, while other main groups were either maintained or recorded slight advances. No. 1 Northern wheat was 71 cents on the Winnipeg exchange against 72 6-8 in the preceding week. General declines were also shown in coarse grains. Concessions were granted in copper on the New York metal market, while lead and zinc were fully-maintained at the level of the preceding week. The index of wholesale prices was 11.2 p.c. greater than in 1939 and also showed minor gain over the same week of 1938.

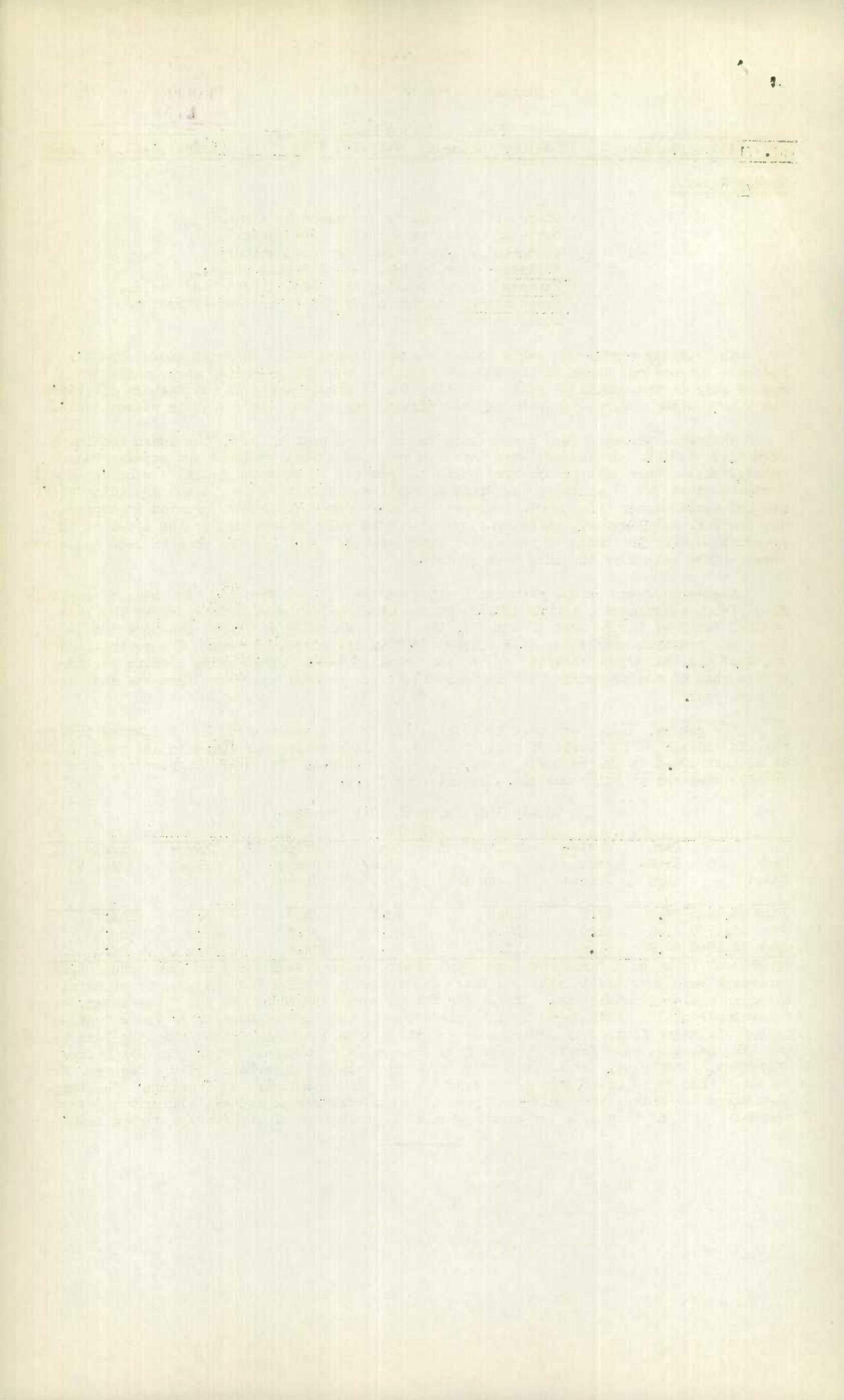
High-grade bond prices recorded decline in the week of June 20, the index of capitalized yields receding 1 point to 136.4. Common stock prices were maintained at the same general level as in the week of June 13, the index remaining at 72.6. The index of 15 power and traction stocks was 46.3 against 48.0 in the preceding week. The general index was 24.7 p.c. below the standing of the same week of 1939. Speculative trading was more active than in the preceding week but a considerable decline was shown from the same week of last year.

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 104.4 in the week of June 22 against 104.3 in the preceding week, a gain of 0.2 p.c. The increase over the same week of 1939 when the standing was 103.4 amounted to 1 p.c.

Weekly Index with the Six Components
1926-100

Week Ended	Car loadings	Wholesale Prices	Capitalized Bond Yields 1	Bank Clearings 2	Prices of Common Stocks	Shares Traded	Weekly Index 3
June 24, 1939	76.3	73.3	149.5	90.2	96.4	72.2	103.4
June 15, 1940	95.6	81.8	137.4	91.6	72.6	42.3	104.3
June 22, 1940	99.9	81.5	136.4	88.8	72.6	57.9	104.4

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 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 1926.



Business Expansion over May 1939

Business operations were in heavy volume during May, the index of the physical volume of business showing a considerable gain over 121.4, the standing for the same month of last year. The advance was partly due to war demand. Industry, however, did not reach capacity and a further increase in production is a probable development.

A number of factors indicating the trend of mineral production showed expansion over the same month of last year. Receipts of gold at the Mint were 401,431 fine ounces against 385,020 in May last year. Asbestos exports amounted to 15,949 tons against 12,176. The output of coal was 1,245,834 tons compared with 1,124,443 in the same comparison.

The output of flour was 1,344,293 barrels in April against 1,114,000 in the same month of last year. The manufacture of sugar was 93.9 million pounds in the latest four week period against 98.3 million. The meat packing industry showed some recession in May from the same month of last year, the index of inspected slaughterings dropping from 177.5 to 139. The output of factory cheese rose from about 11 million pounds to 12.9 million while the production of creamery butter was maintained. Canned salmon exports were at a much lower level in May.

The release of cigarettes was 808.3 million against 625.9 million one year ago, while cigars made available amounted to 15.8 million against 11.6 million. The consumption of raw cotton amounted to 17.8 million pounds against 9.3 million in May last year. The factors indicating the trend of operations for the forestry industry were much higher in May, the index advancing from 112.6 one year ago to 142.5 in the month under review. Newsprint production rose from 250,015 tons to 323,583. Woodpulp and shingles were exported in considerably greater volume, while the outward shipments of planks and boards declined from 165.5 million feet to 160.2 million. In view of war demands, the primary iron and steel industry was very much more active than in May last year. Gains were also recorded over the preceding month. The index of steel ingots rose from 213 in April to 266, while the index of the output of pig iron advanced from 139 to 143. Automobile production showed increases in both comparisons. The railway freight movement was higher in May than in the same month one year ago, car loadings rising from 214,829 to 238,969. Exports of merchandise, excluding gold, were reported at \$110.8 million against \$80.8 million one year ago.

Economic Factors in May compared with the preceding month and May, 1939

	May 1940	May 1939	April 1940
Physical Volume of Business Index... 1926-100	140.6	121.4	151.0
Bank deposits... 1926-100	131.0	126.1	128.8
Asbestos exports... tons	15,949	12,176	14,335
Sugar manufactured... lb.	93,878,138	98,295,223	59,710,134
Cheese, factory production... lb.	12,902,933	11,217,875	4,845,111
Butter, creamery production... lb.	27,248,699	27,827,443	16,602,161
Newsprint production... tons	323,563	250,015	268,947
Planks and boards exported... M ft.	160,223	165,539	148,959
Shingles exported... squares	278,980	40,332	287,368
Pig iron production... tons	93,254	57,746	84,210
Automobile production... No.	21,277	15,706	19,687
Steel ingot production... tons	174,417	121,413	153,451
Carloadings... no.	236,969	214,829	218,902
Exports... \$	110,763,709	80,774,128	84,692,678
Bank debits... \$000	3,339,595	2,839,207	2,938,298

Retail Prices, Rents and Costs of Services

The index number of retail prices, rents and costs of services on the base 1926-100, rose from 85.7 in April to 86.0 in May, due to an increase in rentals augmented by a slight increase in coal prices. The index for May last year stood at 83.1. An index for retail prices alone, including foods, coal, coke, household requirements, etc., was unchanged for May at 81.6.

An index for 46 food items was 78.6, the same figure as in April, whereas last year it was 74.6. Veal, bacon, cooked ham, codfish, lard, eggs, butter and cheese recorded declines from April, while gains were recorded for beef, finnan haddie, bread, canned vegetables, onions, potatoes, tea, coffee, pepper and salt.

Output of Electricity

Central electric stations in May had the greatest output of any month to date at 2,671,567,000 kilowatt hours. Exports to the United States amounted to 193,353,000 k.w.h. This was also a new high record.

Building Permits

Building permits in May amounted to \$13,137,281, compared with the revised value of \$10,927,440 in April and \$6,722,431 in May, 1939. New construction in May amounted to 80 per cent of the total value.

Bridge, Tunnel and Ferry Companies

International bridge, tunnel and ferry companies in 1939 operated at a loss of \$466,336. Operating revenues were \$3,067,000 and operating expenses \$1,882,000. Taxes, fixed charges etc. accounted for the deficit. The number of motor vehicles crossing was 7,334,375, compared with 7,260,661 in 1938.

Production of Concentrated Milk in May

The production of concentrated milk in May amounted to 21,159,852 pounds, an increase over the preceding month of 4,314,407 pounds or 26 per cent and a gain over May, 1939 of 3,418,217 pounds or 19 per cent. Production of all items in the five months ended May aggregated 69,655,973 pounds compared with 53,774,131 in the corresponding period of 1939.

Wheat Stocks in Store

Canadian wheat in store on June 21 totalled 279,897,499 bushels in comparison with 279,508,047 a week ago and 106,470,134 on the corresponding date last year. The amount of Canadian wheat in the United States was 24,194,712 bushels as against 22,542,821 on June 14 and 4,465,000 a year ago.

Wheat in transit on the lakes on June 21 amounted to 3,873,360 bushels as compared with 4,657,880 a week ago and 4,840,887 a year ago, while the amount in transit by rail was 21,729,941 bushels in comparison with 19,628,214 on June 14 and 2,588,068 last year.

Export Clearances of Wheat

Overseas export clearances and imports of Canadian wheat into the United States for consumption and milling in bond amounted to 917,924 bushels during the week ending June 21 as compared with 2,370,565 in the corresponding week last year. The total from August 1 to June 21 was 148,456,530 bushels in comparison with 126,047,539 in the corresponding period of the previous crop year.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces for the week ending June 21 amounted to 3,350,542 bushels as compared with 2,203,448 in the previous week and 1,099,572 in the corresponding week last year. By provinces the receipts were as follows, with figures for the same week in 1939 in brackets: Manitoba, 181,025(143,798) bushels; Saskatchewan, 1,193,611(543,737); Alberta, 1,175,906(412,037).

Marketings during the forty-seven weeks ending June 21 aggregated 401,745,209 bu. as compared with 281,486,508 in the corresponding period of the previous crop year. The totals follow by provinces: Manitoba, 52,138,148(43,431,694) bu.; Saskatchewan, 224,443,513(113,211,334); Alberta, 125,163,518(124,843,480).

World Wheat Situation

In the month which has elapsed since the Canadian, United States and Argentine governments have acted to stabilize wheat prices by introducing minimum prices for futures, the various wheat markets have been under pressure both from adverse war news and from reports of improving crops. Although the North American and Buenos Aires markets strengthened appreciably during the week following May 20, the sudden capitulation of King Leopold followed by the German progress through France has weighed heavily in wheat prices, with more of the European continent rendered inaccessible to overseas wheat supplies.

While some improvement on the whole has been noted in European crops during the past month, the United States winter wheat crop registered an appreciable gain during the month, and both the United States and Canadian spring wheat crops have been making very favourable progress since seeding. Several weeks of warm weather have benefited European crops, stimulating growth and helping to overcome part of the backwardness resulting from a severe winter and poor seeding conditions. Although improvement has occurred, European crops, with the exception of Italy, continue to have prospects below normal, and well below the large harvests of the past few years.

The United States winter wheat crop estimated at 489 million bushels as of June 1 showed an increase of 29 million bushels over the May 1 estimate. Since the beginning of June, winter wheat conditions have continued favourable, and while much attention has been paid to the spread of black stem rust, only the late-germinated fields are suffering much damage, and the loss to the total crop is not expected to be great. The forecast of spring wheat production at 239 million bushels ranks appreciably above the previous ten-year average of 184 million bushels. In the Prairie Provinces, the May 31 condition was placed slightly higher than a year ago. During the first half of June, rainfall across the Prairie Provinces averaged an inch less than during the same period of 1939, although very good showers have been received during the present month, and rainfall from April 1 to date has approximated normal.

On June 1, the Honourable James A. MacKinnon announced the sale to the United Kingdom of 50 million bushels of wheat at a price considerably above the existing market. The sale involved the transfer of wheat futures from the Canadian Wheat Board to the British Cereals Import Committee, so that the latter might exchange the futures for cash wheat as required for oversea shipment. This transaction assured a continuing export volume from Canada well into the future. In the meantime, exports of Canadian wheat and flour were quite heavy during May, and eased off appreciably only during the second week of June. Up to June 13, total overseas wheat clearances, United States imports and flour exports since August 1 last, were estimated at 176 million bushels, while the Customs wheat and flour export figures were running somewhat higher due to larger stocks of Canadian wheat being carried in United States positions. Altogether, the 210 million bushel forecast for wheat and flour exports during the full crop year continues to appear easily possible of attainment. With this export volume realized, the carry-over of wheat in Canada at July 31 will be in the neighbourhood of 245 million bushels. This compares with the 210 million bushels carried over in Canadian positions in 1933, which so far has been the largest wheat volume carried over from one crop year to the next.

Domestic Exports in May

Canada's domestic exports in May advanced to \$109,852,709 from \$79,931,809 in May, 1939. The United Kingdom was the heaviest purchaser of Canadian commodities during the month, totalling \$46,922,317 as compared with \$31,126,408 in May last year, followed by the United States at \$43,476,476 as against \$28,143,317, Australia \$3,422,090 against \$2,987,754, British South Africa \$2,893,325 against \$1,563,259, France \$2,390,115 against \$537,411.

New Zealand's purchases amounted to \$1,296,434 in comparison with \$1,364,924 in May 1939, Argentina following at \$1,121,835 against \$371,629, Newfoundland \$1,089,822 against \$844,363, British India \$1,025,798 against \$442,079, Brazil \$542,918 against \$403,222, Trinidad and Tobago, \$451,395 against \$324,622, Jamaica \$436,691 against \$364,521, Japan \$359,641 against \$2,442,272, Eire \$353,810 against \$418,577 and Mexico \$318,769 against \$237,170.

Other leading purchasers were as follows, with figures for May 1939 in brackets: Southern Rhodesia, \$185,471 (\$112,438); Straits Settlements, \$258,248 (\$267,141); British Guiana, \$252,394 (\$156,720); China, \$260,698 (\$261,524); Egypt, \$206,098 (\$27,106); Peru, \$151,430 (\$116,929).

Some leading commodities exported during the month were as follows, with 1939 totals in brackets: wheat, \$21,337,000 (\$8,662,000); wheat flour, \$3,047,000 (\$1,523,000); alcoholic beverages, \$371,000 (\$535,000); rubber, \$943,000 (\$1,403,000); cattle, except for stock, \$1,591,000 (\$2,060,000); fishery products, \$1,762,000 (\$1,539,000); furs, \$1,319,000 (\$667,000); leather, \$1,065,000 (\$849,000); meats, \$4,773,000 (\$3,171,000); cotton, \$622,000 (\$281,000); silk, \$289,000 (\$262,000); planks and boards, \$4,213,000 (\$3,588,000); red cedar shingles, \$720,000 (\$95,000); wood pulp, \$5,162,000 (\$2,459,000); newsprint paper, \$14,061,000 (\$10,678,000); rolling mill products, \$602,000 (\$195,000); farm implements, \$1,360,000 (\$1,022,000); other machinery, \$1,421,000 (\$1,026,000); automobiles and parts, \$4,612,000 (\$2,431,000); asbestos, \$1,485,000 (\$1,038,000); fertilizers, \$1,187,000 (\$1,134,000); electrical energy, \$481,000 (\$332,000).

Exports of Farm Implements and Machinery

Farm implements and machinery exported in May advanced to \$1,360,000 from \$1,022,000 in May, 1939. Shipments to the United Kingdom were valued at \$529,000 compared with \$164,000 and to the United States \$231,000 compared with \$295,000.

Exports of Canadian Paints

Canadian paints were exported in May to the value of \$184,988 in comparison with \$68,636 in May, 1939. The United Kingdom was the leading purchaser, taking approximately half of the total export. British South Africa, New Zealand, Newfoundland, China, Aden, British India and Australia were other leading buyers.

Exports of Eggs

A sharp advance was recorded in May in the exports of Canadian eggs, when the total was 1,187,280 dozen valued at \$289,226 in comparison with 184,826 dozen valued at \$41,557. The United Kingdom took 1,180,650 dozen in May this year, Jamaica 3,570 and Trinidad 2,250.

Exports of Canadian Newsprint

Exports of Canadian newsprint paper reached a high point in May, totalling 6,024,181 cwt. valued at \$14,061,394 as compared with 4,837,992 at \$10,677,981 in the corresponding month last year. The United States took 4,552,818 cwt., Australia 525,175, United Kingdom 123,422, Argentina 366,568, Brazil 77,056, New Zealand 84,465, British South Africa 61,978, Mexico 53,434, Peru 34,896 and British India 25,852.

Civil Aviation in Canada

A preliminary report on civil aviation in Canada in 1939 shows that the aircraft hours flown increased to 145,639 from 133,168 in 1938, but the miles flown decreased to 10,969,271 miles from 12,294,088. The number of passengers carried increased to 161,503 from 139,806 but because of the longer flights of the Trans-Canada Air Lines, which started carrying passengers in 1939, the passenger miles increased to 26,107,750 miles from 14,886,718 in 1938. Pounds of freight transported showed little change, decreasing to 21,253,364 pounds from 21,704,587. Mail also showed a slight decrease to 1,900,347 pounds from 1,901,711.

Considerable sketching and photographing from aircraft was also carried on during the year. The area sketched in 1939 was 3,420 square miles and the area photographed, 46,344 square miles. The number of forest fires detected and reported was 181 as compared with 368 in 1938.

The 22 light aeroplane clubs in Canada in 1939 had a total membership of 2,206, of whom 1,180 were flying members and 1,026 were non-flying.

Production of Iron and Steel in May

Production of pig iron in Canada in May totalled 93,254 long tons compared with 84,210 in the previous month and 57,746 in May, 1939. Output during the first five months of 1940 aggregated 460,971 tons in comparison with 243,716 in the corresponding period of 1939.

The May production of steel ingots and steel castings at 174,417 tons was the highest monthly tonnage on record, exceeding by almost 5 per cent the previous high of 166,496 tons established in January of this year. Output in April amounted to 153,451 tons and May last year to 121,413 tons. The accumulative total for the five months ended in May amounted to 792,033 tons as against 472,239 a year ago.

Output of ferro-alloys at 10,272 tons in May was 28 per cent under the 13,989 tons in April but more than double the 4,925 tons made in May, 1939.

Production of Coal, First Quarter of 1940

The Canadian output of coal during the first quarter of 1940 totalled 4,549,273 tons as compared with 3,676,847 tons a year ago. The production this year included 3,335,753 tons of bituminous, 1,068,883 tons of lignite, and 144,637 tons of sub-bituminous.

Canada imported 1,345,315 tons of coal during the period under review as compared with 1,436,563 tons in the first three months of 1939. Receipts from the United States were 5 per cent lower and consisted of 413,475 tons of anthracite, 881,274 tons of bituminous, and 778 tons of lignite. Great Britain supplied the remainder of the importations.

Exports of Canadian coal were 28 per cent higher at 128,644 tons. Clearances through Nova Scotia, New Brunswick and Ontario ports totalled 59,832 tons, and through Manitoba, Saskatchewan, Alberta and British Columbia ports 68,812 tons.

Coal made available for consumption in Canada during the first quarter of 1940 totalled 5,765,944 tons or 15 per cent above the tonnage made available during the months of January, February and March of 1939.

Producers Sales of Radio Receiving Sets

During the first quarter of 1940 producers sales of radio receiving sets in Canada established a new record at 71,503 units, having a list or retail value of \$3,524,190. The number of sets sold was greater than in any first quarter period since the Bureau commenced collecting quarterly data on radio sales in 1934 and exceeded the figures for the corresponding three months a year ago by 76 per cent.

Compared with first quarter sales in 1939 data for the period under review showed remarkable increases in sales all across the Dominion. In Ontario the number of sets sold advanced to 32,292 from 19,963, in Quebec to 14,348 from 8,992, in the Maritime Provinces to 7,454 from 2,146, in British Columbia to 5,871 from 2,495, in Saskatchewan and Alberta to 5,487 from 2,707 and in Manitoba to 6,051 from 3,770.

Financing of Motor Vehicle Sales

Financing of sales of new and used motor vehicles continued the advance recorded in recent months, the total in May being 24,341 units with a finance value of \$10,499,731 as compared with 21,927 vehicles financed to the extent of \$9,348,372 in May, 1939. Cumulative totals for the first five months of this year showed 74,373 transactions with \$32,382,885 involved, as against 62,058 contracts involving \$26,342,043 in the same period of 1939.

Cordage, Rope and Twine

The cordage, rope and twine industry in 1939 reported gross production at \$4,966,000 against \$4,911,000 in 1938, \$6,579,000 in 1937 and \$11,798,000 in 1929.

Reports Issued During the Week

1. Weekly Index Numbers of Wholesale Prices, June (10 cents).
 2. Output of Central Electric Stations, May (5 cents).
 3. Building Permits, May (10 cents).
 4. Telegraphic Crop Report, Prairie Provinces (10 cents).
 5. International Bridge, Tunnel and Ferry Companies (15 cents).
 6. Cordage, Rope and Twine Industry (25 cents).
 7. Advance Report on the Fisheries of Prince Edward Island, 1939 (10 cents).
 8. Miscellaneous Chemical Products Industry, 1938 (15 cents).
 9. Consumption of Chemicals in Municipal Waterworks, 1938 and 1939 (25 cents).
 10. Preliminary Report on Civil Aviation, 1939 (10 cents).
 11. Prices and Price Indexes, May (10 cents).
 12. Car Loadings (10 cents).
 13. Extent and Correspondence of Fluctuations in Economic Factors (25 cents).
 14. Exports of Rubber and Insulated Wire and Cable, May (10 cents).
 15. Summary of Canada's Exports, May (10 cents).
 16. Exports of Lumber, May (10 cents).
 17. Canada's Domestic Exports by Principal Countries, May (10 cents).
 18. Exports of Pulpwood, Wood Pulp and Paper, May (10 cents).
 19. Exports of Milk, Milk Products and Eggs, May (10 cents).
 20. Exports of Petroleum and Its Products, May (10 cents).
 21. Exports of Paints and Varnishes, May (10 cents).
 22. Exports of Farm Implements and Machinery, May (10 cents).
 23. The Wood-Using Industries, 1934 - 1936 (50 cents).
 24. Coal Statistics, January, February and March, 1940 (10 cents).
 25. Tobacco Crop Report (10 cents).
 26. Production and Sale of Radio Receiving Sets first Quarter, 1940 (15 cents).
 27. Sales of Asphalt Roofing, May (10 cents).
 28. Financing of Motor Vehicle Sales, May (10 cents).
 29. Production of Concentrated Milk, May (10 cents).
 30. Production of Iron and Steel, May (10 cents).
 31. Security Prices and Foreign Exchange (10 cents).
 32. Canadian Grain Statistics (10 cents).
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