

WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce

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Weekly Index

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 declined about 2 p.c. in the week ended July 13 as compared with the preceding week, the adjusted index standing at 93.7 against 95.6. While loadings were more than maintained in the eastern division, a decline of nearly 8 p.c. in the west counterbalanced the gains in the east. Merchandise shipments continued in steady volume. The cumulative totals for the first twenty-eight weeks registering an increase of no less than 202,532 cars, or 17 p.c. over the same period of last year, with ten of the eleven commodity groups showing advances. Gross railway revenues reflected improvement, advancing more than 20 p.c. in a similar comparison.

Wholesale prices receded fractionally in the week, the index moving from 82.2 to 81.7. Vegetable products and textiles were lower, while animal products and chemicals made moderate advances. Canadian farm products lost nearly a point to 65.0, owing to more plentiful supplies of new vegetables. Wheat prices were steady while other grains advanced slightly. Representative prices of wheat have apparently found a base around 71 cents and have been practically unchanged for over a month. Cattle prices were firm to stronger on the Toronto market, while bacon hogs advanced 35 cents to \$8.75 on the week. Leading commodities at New York showed little change and silk prices continued to decline.

High-grade bond prices moved fractionally higher during the week, while markets were quiet. The index of capitalized yields at 137 was still 8.8 p.c. below the standing of the same week of 1939. Common stock prices moved irregularly higher during the week with an average of 70.6, a gain of 0.6 over the preceding week. The leading industrial shares showed advance, while the utility index lost over half a point at 34.5. Mining stock prices were well maintained and the weekly average of base metal stocks advanced 1.7 to 175.3. The Canadian dollar has recently shown greater strength at New York. Trading on the security markets remained at a relatively low level with little speculative interest in evidence.

The adjusted index of bank clearings receded from 88.4 to 84.9 and a slight decline was also 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 102.4 in the week of July 13, against 103.4 in the preceding week, a decline of 1 p.c. The decline from the same week of last year was 0.7 p.c.

A 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
July 15, 1939	79.3	72.8	150.2	85.5	95.9	43.4	103.1
July 6, 1940	95.6	82.2	136.8	88.4	70.2	34.3	103.4
July 13, 1940	93.7	81.7	137.0	84.9	70.6	26.6	102.4

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

THE HISTORY OF THE UNITED STATES OF AMERICA

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CHAPTER II
THE FIRST SETTLEMENTS
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Domestic Exports in June

With gains being recorded in the nine main commodity classifications, Canada's domestic exports rose in June to \$110,823,000 from \$76,367,000 in June, 1939. Exports to the United Kingdom accounted for approximately half of the total, amounting to \$53,894,000 as against \$30,313,000. The United States was in second place at \$39,350,000 as compared with \$26,410,000.

Leading exports in June were as follows, with figures for 1939 in brackets: newsprint paper, \$15,168,000 (\$10,681,000); wheat, \$11,647,000 (\$9,035,000); automobiles and parts, \$7,067,000 (\$2,493,000); planks and boards, \$6,640,000 (\$4,741,000); wood pulp, \$5,786,000 (\$1,925,000); meats, \$4,061,000 (\$2,336,000); wheat flour, \$2,097,000 (\$1,176,000); alcoholic beverages, \$1,171,000 (\$527,000); fishery products, \$1,887,000 (\$2,100,000); pulpwood, \$1,674,000 (\$1,465,000); pigs and ingots, \$1,687,000 (\$501,000); asbestos, \$1,264,000 (\$1,992,000).

Other leading exports: vegetables, \$263,000 (\$880,000); barley, \$111,000 (\$377,000); sugar, \$364,000 (\$426,000); rubber, \$934,000 (\$1,405,000); cattle, except for stock, \$722,000 (\$330,000); furs, \$695,000 (\$1,024,000); leather, \$877,000 (\$614,000); cheese, \$555,000 (\$802,000); cotton, \$601,000 (\$308,000); square timber, \$241,000 (\$168,000); red cedar shingles, \$632,000 (\$741,000); rolling mill products, \$879,000 (\$466,000); farm implements, \$916,000 (\$825,000); fertilizers, \$672,000 (\$479,000); electrical energy, \$429,000 (\$368,000).

Sales and Purchases of Securities Between Canada and Other Countries during May

An expansion in the volume of transactions and a reduction in net sales were the principal changes in the international trade in securities in May. Total sales of \$18,282,191 and total purchases of \$15,978,701 were each larger than in any month since September, 1939. Sales in April totalled \$15,573,362 and purchases \$12,036,981. Sales in May last year were \$29,602,557 and purchases \$18,736,653.

The increase in the volume of transactions occurred in the trade with the United States, sales to that country totalling \$17,092,131 compared with \$13,518,620 in April and \$23,667,422 in May, 1939. Purchases from the United States amounted to \$14,404,905 as against \$9,760,919 in April and \$14,292,557 in May, 1939.

Sales to the United Kingdom in May were valued at \$752,534 as compared with \$1,674,420 in April and \$2,752,465 last year, while purchases were computed at \$1,279,396 as against \$1,996,664 in April and \$3,482,822 in May, 1939.

In the first five months of 1940, sales totalled \$78,136,079 in comparison with \$170,722,557 in the same period of 1939, while purchases amounted to \$59,634,139 as compared with \$109,827,569.

March Production of Asbestos

Canadian shipments of asbestos in March advanced to 24,921 tons from the previous month's total of 21,526 tons and the March 1939 total of 22,680 tons. During the first quarter of 1940, 72,898 tons were shipped compared with 62,684 a year ago.

Gypsum Production in March

Gypsum production in March amounted to 37,947 tons as compared with 56,689 tons in February and 12,987 in March, 1939. Output during the first quarter of 1940 aggregated 158,888 tons as against 36,781 tons in the same period of 1939.

Silver Production in March

Silver production in March totalled 1,786,035 ounces valued at \$682,712. This output compared with 1,689,828 ounces in February and 1,620,396 in March, 1939. Output during the first quarter of 1940 aggregated 5,128,524 ounces as compared with 4,434,942 ounces in the same period of 1939.

Production of Feldspar and Salt

Shipments of feldspar by Canadian producers in March amounted to 1,159 tons compared with 3,238 in the preceding month and 650 in March, 1939. In the first quarter of the current year 6,104 tons were shipped as compared with 2,317 in the same period of 1939.

Canadian producers sold 13,319 tons of commercial salt in March compared with 12,188 in February and 13,882 in March, 1939. Sales during the first three months of 1940 totalled 38,000 tons compared with 35,399 a year ago.

Wheat Stocks in Store

Canadian wheat in store on July 12 amounted to 282,251,249 bushels as compared with 281,113,693 on July 5 and 99,250,611 on the corresponding date last year. The amount in store in the United States was 26,101,187 bushels in comparison with 25,289,597 on the previous reporting date and 7,202,000 a year ago.

For the week ending July 12 the amount of wheat in transit on the lakes was 3,491,520 bushels as compared with 2,099,243 at the end of the previous week and 5,245,662 last year. The amount in rail transit was 23,704,805 bushels compared with 23,210,725 a week ago and 4,469,714 in 1939.

Overseas Export Clearances of Wheat

During the week ending July 12 the export clearances overseas of wheat from Canada amounted to 2,112,205 bushels compared with 2,744,308 in the corresponding week last year. The accumulated total from August 1, 1939 to July 5 this year was 146,228,814 bushels compared with 124,786,067 in the corresponding period last year.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces for the week ending July 12 amounted to 3,615,052 bushels compared with 3,074,248 in the previous week and 2,439,054 in the same week last year. The totals follow by provinces, with figures for 1939 in brackets: Manitoba, 175,892 (174,652) bushels; Saskatchewan, 2,162,798 (1,474,511); Alberta, 1,276,362 (839,891).

Marketings in the three Prairie Provinces for the fifty weeks ending July 12 totalled 412,805,767 bushels as compared with 287,181,991 in the corresponding period last year. The totals follow by provinces: Manitoba, 52,780,240 (43,975,850); Saskatchewan, 230,645,856 (116,159,093); Alberta, 129,379,671 (127,047,048).

Building Permits in June

The total value of building permits issued in June by 158 municipalities in Canada was \$9,425,773. In May, 198 municipalities issued permits to the value of \$13,809,696. Reports were received in June from 54 of the original 58 municipalities formerly covered in this survey, showing permits issued to the value of \$7,231,786 as compared with \$10,085,971 in May and \$7,849,970 in June, 1939.

Automobile Production in June

Production of 17,930 motor vehicles in Canada during June was 15.7 per cent under the previous month's total of 21,277 units, but was 23.5 per cent over the output of 14,515 units in June, 1939. This month's total included 8,739 passenger cars and 9,191 trucks, of which 6,269 passenger cars and 3,873 trucks were made for sale in Canada with the remainder being intended for export.

During the first half of this year, 110,912 motor vehicles were produced in Canada as against 93,759 and 102,158 during the corresponding periods of 1939 and 1938, respectively.

Canal Traffic in June

Total traffic through Canadian and United States Locks of the Sault Ste. Marie Canals in June increased to 13,455,390 tons from 8,622,405 in June, 1939. Downbound iron ore was particularly heavy, increasing to 9,808,831 tons, or by 67 per cent.

Traffic on the Welland Ship Canal rose to 1,912,622 tons from 1,580,403 a year ago. Corn, petroleum and oils, iron, pulpwood, bituminous coal, and ore, other than iron and copper, were shipped in heavier volume, while wheat and wheat flour showed substantial declines.

On the St. Lawrence Canals, traffic declined to 1,055,279 tons from 1,161,230 a year ago. Chief increases were in corn, petroleum and oils, pulpwood, hard coal and soft coal, while wheat shipments declined somewhat.

Revenue Freight in April

Revenue freight loaded at Canadian stations and received from foreign connections during April amounted to 6,771,572 tons as compared with 5,451,440 in April, 1939. By provinces the loadings showed increases as follows: Prince Edward Island, 21 per cent; Nova Scotia, 31 per cent; New Brunswick, 30 per cent; Quebec, 36 per cent; Ontario, 37 per cent; Manitoba, 18 per cent; Saskatchewan, 5 per cent; British Columbia, 16 per cent. In Alberta there was a decrease of 4 per cent due mainly to lighter shipments of grain.

Department Store Sales in June

Sales in Canadian department stores in June were eight per cent higher than in the corresponding month last year, while a drop of four per cent was recorded from the previous month. Unadjusted indexes, on the base 1930=100, stood at 81.8 compared with 85.0 in May and 75.5 a year ago. Sales during the first six months of 1940 were 12 per cent higher than in the same period a year ago.

Canadian Wholesale Price Movements

There have been three phases to wholesale price index movements since the outbreak of war. The first, extending from September to March, opened with a sharp advance concentrated largely in September and early October. Further gradual gains in the next four months resulted in a net increase of 14.7 per cent by the first week of March. In the next two and one-half months certain commodity markets recorded varying declines, and by the week ending May 24, the general wholesale price index was only 12.2 per cent above the August 1939 level. In the month following, early increases were partially lost towards the close, leaving the index 12.7 per cent above August, 1939.

The most striking feature of the autumn rise in 1939 was the small number of commodities responsible for the major part of the advance. Grains, milled products, sugar, butter, cheese, textiles, pulp and newsprint accounted for more than 70 per cent of the increase in the general index, although they were responsible for less than one-third of the value of all items represented.

The subsequent reaction was due mainly to sharp declines in Canadian farm products including grains, milled products, hides, butter and cheese. Lower prices for these commodities were sufficiently severe to overbalance continued moderate increases for a wide range of other commodities including meats, scrap metals, coal, wool fabrics, sugar, woodpulp, lumber and miscellaneous fabrics.

The slight rise of late May and June was fairly general in character. It was curtailed somewhat by further weakness in several commodity groups which had participated in the April-May decline, notably grains, milled products, milk products, hides, copper, silver, and petroleum products. The most substantial gains in May and June were recorded for fresh meats, fish, raw cotton and scrap metals.

Construction Industry in 1939

A preliminary report of construction operations performed by General, Trade and Sub-contractors during 1939, places the value of work done at \$224,224,619 as compared with \$209,443,559 in 1938. New construction totalled \$164,385,019 compared with \$151,149,579 and additions, alterations and repairs \$59,839,600 as compared with \$58,293,980. The cost of materials used was \$121,076,908 as against \$111,178,167 in 1938.

An estimate of the 1939 final valuation of work performed by the construction industry stands at \$301,389,078 as compared with the 1938 final tabulation of \$281,484,600. The 1939 final estimate is made up of \$222,971,288 in new construction and \$78,588,299 in additions, alterations and repairs. In 1938 the final figure was made up of \$204,781,181 in new construction and \$76,703,509 in additions, alterations and repairs.

Reports Issued During the Week

1. Automobile Production, June (10 cents).
 2. Asphalt Roofing Industry, June (10 cents).
 3. Construction Industry, 1939 (10 cents).
 4. Car Loadings (10 cents).
 5. Traffic Reports of Railways, April (10 cents).
 6. Review of Canadian Wholesale Price Movements, August 1939 - June, 1940 (10 cents).
 7. Sales and Purchase of Securities, May (10 cents).
 8. Weekly Index Numbers of Wholesale Prices (10 cents).
 9. Summary of Canal Traffic, June (10 cents).
 10. Telegraphic Crop Report, Canada (10 cents).
 11. Summary of Canada's Exports, June (10 cents).
 12. Exports of Paints and Varnishes, June (10 cents).
 13. Exports of Milk, Milk Products and Eggs, June (10 cents).
 14. Building Permits, June (10 cents).
 15. Hardwood Distillation Industry, 1939 (15 cents).
 16. Canadian Grain Statistics (10 cents).
 17. Feldspar and Salt Production, March (10 cents).
 18. Asbestos Production, March (10 cents).
 19. Silver Production, March (10 cents).
 20. Gypsum Production, March (10 cents).
 21. Imports by Principal Countries, May (10 cents).
 22. Grain Situation in Argentina (10 cents).
 23. Security Prices and Foreign Exchange (10 cents).
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