

## WEEKLY BULLETIN

Dominion Bureau of Statistics

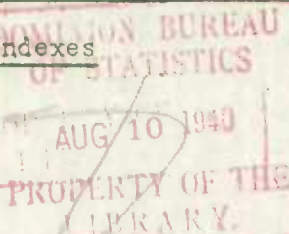
Department of Trade and Commerce

Vol. VIII - No. 32

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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.

The railway traffic movement slackened somewhat in the week ended August 3, the general index after seasonal adjustment receding from 92.6 to 90.4. The traffic in the eastern division was nearly maintained while the index for the western division dropped from 96.5 to 90.1. A significant development was the continued advance in the movement of merchandise, the index rising one point to 80.2.

Wholesale prices rose to a slightly higher level during the week of August 2, the index advancing from 82.0 to 82.1. Wood and paper, iron and non-ferrous metals recorded advances in this comparison, while recessions were shown in crop and animal products. The index for 13 sensitive manufacturing materials receded from 120.5 in the week of July 26, to 120.0, while the food index dropped from 128.3 to 124.1. The sensitive indexes are based upon August, 1939 equalling 100. Wholesale prices have shown an upward trend since the end of May. A considerable rise was recorded over the same week of 1939 and of 1938.

Common stock prices showed a further gain in the week of August 6. The advance has been in progress for three weeks and the standing in the week under review was higher than at any time since the first week of June. Speculative trading remained at a very low position.

Bank clearings recorded a considerable increase, the adjusted index rising from 81.9 to 85.4. High-grade bond prices continued the advance in progress for four weeks, an index of capitalized bond yields rising 0.2 p.c. over the preceding week but showing a decline of 8.1 p.c. from 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 102.6 in the week of August 3, against 102.2 in the preceding week, a gain of 0.4 p.c. A decline of 1 p.c. was shown from the same week of 1939 when the standing was 103.6.

A Weekly Index with the Six Components  
1926-100

Week Ended	Car loadings	Whole-sale Prices	Capitalized Bond Yields 1	Bank Clearings 2	Prices of Common Stocks	Shares Traded	Weekly Index 3
August 5, 1939	76.9	72.3	150.2	89.7	98.6	76.8	103.6
July 27, 1940	92.6	82.0	137.8	81.9	73.1	23.6	102.2
August 3, 1940	90.4	82.1	138.1	85.4	75.0	21.0	102.6

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 the year 1926.

THE HISTORY OF THE

REIGN OF KING CHARLES THE FIRST

By JOHN BURNET, BISHOP OF SALISBURY.

Printed by J. Streater, at the Gunpowder Square, in 1679.

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Business Conditions in First Half of 1940

The factors indicating the trend of business conditions were favourable during the first half of 1940 compared with the same period of the preceding year. The most constructive factor was the continued advance in business operations. The index of physical volume of business averaged 137.6 during the first six months of the present year compared with 116.2, a gain of no less than 18.4 p.c. The net result was that in June the business index was higher for that month than in any other year during the period of observation from 1919 to the present.

A development of some importance was the shift from the production of consumers' goods to producers' commodities. This change was well indicated by the indexes of production in these lines in June compared with the preceding month. War orders persistently placed since the outbreak are now having an important bearing on industrial activity. A number of new plants under construction and existing plants engaged on war demands are accelerating operations.

The fluctuation in high-grade bond prices was quite different from that of stock and commodity quotations. A sharp reaction occurred during September of last year, but the subsequent advance has served only to counterbalance a portion of that decline. While a minor reaction was shown in June, the trend during the first five months of the present year was in an upward direction, the net result being that the index of capitalized bond yields averaged only about 8 p.c. below that of the same period of 1939.

Mineral production, measured by an index based on nine factors rose about 14 p.c. The index was 236.7 against 207.6. Advances were shown in gold, silver and coal production. The output of coal was 8.1 million tons against 6.7 million in the first half of 1939.

The index of manufacturing production rose from 109.9 to 136.6 in this comparison, a gain of 24.3 p.c. Each of the indexes cited in this connection recorded increases over the same period of last year. Flour production, based on statistics for five months, rose 13.5 per cent to 6.4 million barrels. The manufacture of sugar at 383.9 million pounds was 27 per cent greater. The meat packing industry was more active especially in the handling of hogs. Inspected slaughterings of hogs at 2.3 million showed a gain of 48 p.c. Marked increase was shown in the release of cigarettes and cigars. The release of cigars was 74 million, a gain of 30.8 p.c. Output of leather boots and shoes in the first five months was 10.2 million pairs against 8.8 million, a gain of 15.5 p.c. Raw cotton consumption, indicating conditions in the cotton textile industry, was 95.9 million pounds, a gain of 83 p.c.

The forestry group recorded greater activity in most departments. Newsprint production rose from 1.3 million tons to 1.6 million, a gain of 22 p.c. Exports of planks and boards at 986 million feet showed a gain of 6 p.c.

The primary iron and steel industry recorded marked improvement in operations. The output of steel ingots was 65 p.c. greater while pig iron production showed a gain of 85 p.c. The automobile industry produced 18 p.c. more units, the total in the first six months of the present year having been 110,912 units, with a notable increase in truck output. Crude rubber imports, mainly for the manufacture of automobile tires, recorded a gain of 32 p.c. The imports of petroleum, indicating conditions in the oil industry, rose about 14 p.c. to 565.6 million gallons.

The construction industry was more successful in obtaining new business, the amount of contracts being \$125.4 million, a gain of 50 p.c., while building permits rose 27.5 p.c. to \$34.2 million. Industrial expansion was reflected in greater production of electric power which rose from 13.7 billion kilowatt hours to nearly 15 billion, a gain of nearly 9 p.c. The value of commodities exported, excluding gold, amounted to \$553.7 million compared with \$408.5 million, a gain of more than one-third. Imports also showed considerable expansion, the total having been \$496 million against \$321 million. The excess of exports over imports was \$57.6 million during the first six months of the present year against \$87.4 million one year ago.

The expansion in the railway traffic movement was 17 p.c., while the gross revenue on the Canadian lines of the C.N.R. rose about 32 p.c. and the gross revenue of the C.P.R. was 21 p.c. higher.

Employment in economic pursuits was more than 7 p.c. greater in the elapsed period of 1940, the average of the index of employment for the first seven reporting dates being 116.6 against 108.7.

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### Gold Mining in 1939

The quantity and value of gold produced in Canada during 1939 were the greatest ever recorded in the history of the Canadian mining industry. Production from all primary sources totalled 5,094,379 fine troy ounces in 1939 compared with 4,725,117 in 1938. The gross value of output in 1939 amounted to \$184,115,951 or an increase of 10.8 per cent over the corresponding value for the preceding year. Of the total output in 1939, the mines of Ontario contributed 3,086,076 fine ounces; Quebec, 953,377; British Columbia, 626,970 and Manitoba 180,875; lesser quantities were recovered in the Yukon, Saskatchewan, Nova Scotia, the Northwest Territories and Alberta.

According to preliminary statistics of world production, Canada probably ranked second as a gold producing country in 1939, being surpassed only by the Union of South Africa and possibly Russia; the mine output of recoverable gold in the United States in 1939, and not inclusive of production in the Philippine Islands, was reported by the United States Bureau of Mines, in a preliminary statement, at 4,603,425 fine ounces; output in the Transvaal during the same period was approximately 12,819,000 fine ounces. Reliable data relating to gold production in Russia are unavailable at present and it has been recently stated that Russian output is somewhere between 4,000,000 and 5,000,000 fine ounces per year.

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### Production of Coal and Coke

The Canadian production of coal advanced in June to 1,128,195 tons from 1,090,726 a year ago. This output exceeded the June average for the past five years by 114,703 tons. Production during the first six months of 1940 aggregated 8,175,492 tons compared with 6,816,281 in the same period of 1939.

Canada imported 2,414,108 tons of coal during June compared with 1,371,651 last year while the five year average stood at 1,619,799. Exports in June amounted to 31,669 tons against 30,817 last year.

Coke production in June totalled 249,232 tons as against 251,840 in May and 187,990 in June, 1939. Output during the first six months of 1940 amounted to 1,459,000 tons compared with 1,123,000 a year ago.

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### Production of Crude Petroleum in May

The Canadian output of crude petroleum and natural gasoline amounted in May to 676,486 barrels compared with 634,869 in April and 713,947 in May, 1939. Production during the five months ended May aggregated 3,023,931 barrels in comparison with 2,549,930 a year ago.

May production of natural gas totalled 2,227,939,000 cubic feet compared with 3,186,755,000 in April and 2,120,534,000 in May, 1939. Output during the five months of 1940 aggregated 18,432,415,000 cubic feet compared with 17,223,445,000 last year.

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### Shipments of Cement and Lime

Portland cement shipments by Canadian producers advanced to 731,947 barrels in May from 419,876 in April and 550,890 in May, 1939. Shipments during the five months ended May totalled 1,799,168 barrels compared with 1,267,776 in the five months of 1939.

Shipments of lime in May amounted to 61,917 tons compared with 56,994 in April and 44,359 in May 1939, while the total shipped during the five months ended May was 272,286 tons compared with 192,300 a year ago.

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### Silver Production in May

Silver production in May rose to 1,997,247 ounces from the preceding month's total of 1,769,839 ounces and the May 1939 output of 1,809,789. Production during the first five months of 1940 totalled 8,895,610 ounces, an increase of 15.4 per cent over the output in the corresponding period last year.

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### Shipments of Feldspar and Salt

Shipments of feldspar by Canadian producers amounted to 1,011 tons in May compared with 467 in April and 803 in May, 1939. During the five months ended May 7, 582 tons were shipped compared with 3,729 last year.

Commercial salt shipments in May totalled 24,612 tons compared with 20,900 in April and 25,732 a year ago. Shipments during the five months ended May totalled 83,512 tons compared with 79,949 in the corresponding period of 1939.

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### Exports of Asbestos

Exports of Canadian asbestos declined in June. The total of crude and milled fibres was 14,450 tons valued at \$1,043,980 compared with 23,844 at \$1,724,279 in June, 1939. Asbestos sand and waste exports totalled 10,083 tons at \$216,193 in comparison with 13,246 at \$242,869. Asbestos manufactures were worth \$3,467 as against \$25,090 in June, 1939.

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### Imports of Planks and Boards

A decline was recorded in Canada's June imports of planks and boards, the value totalling \$315,000 compared with \$706,000 in June, 1939. The import came almost entirely from the United States. Tropical woods, cedar, oak, pine, poplar, redwood, walnut, were among the leading varieties.

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### Imports and Exports of Fertilizers

A considerable increase was recorded in the June imports of fertilizers, the value being \$409,000 in comparison with \$125,000 in June, 1939. Domestic exports also moved higher totalling \$672,000 as compared with \$479,000. Imports from the United States totalled \$253,000 and exports to that country, \$392,000.

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### June Imports of Paper

June imports of paper were valued at \$753,000 in comparison with \$707,000 in June, 1939. The value of the import from the United States was \$634,000 and from the United Kingdom \$71,000.

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### Imports of Tea and Coffee

Canada imported more tea but less green coffee in June than in June, 1939. The former totalled 3,104,225 pounds compared with 1,807,717 and the latter 4,090,661 pounds against 5,279,861.

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### Imports of Raw Rubber in June

Raw rubber imports declined in June to 2,322,194 pounds from 5,427,972 in June, 1939. The United States sent 1,498,334 pounds, Ceylon 684,570 and the Straits Settlements 139,290 pounds.

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### Imports of Farm Implements and Machinery

Farm implements and machinery were imported in June to the value of \$3,056,000, recording a considerable gain over last year's total of \$1,808,000. The total from the United States was \$3,034,000, including cream separators at \$35,964, harvesters \$94,562, ploughs \$156,549, harvesters with threshing separators \$222,814, internal combustion traction engines and parts \$2,165,624.

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### June Imports of Tin

The Straits Settlements and the United Kingdom supplied the bulk of Canada's June imports of tin in blocks, pigs, etc., the total being 4,440 cwt. as compared with 4,182 in June, 1939. The former country accounted for 2,464 cwt. and the latter 1,076. The United States contributed the balance of 900 cwt.





### Imports of Paints and Varnishes

Paints and varnishes were imported in June to the value of \$461,000 in comparison with \$404,000 in June, 1939. The United States accounted for \$315,000 and the United Kingdom \$137,000.

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### Imports of Cheese

Imports of cheese in June amounted to 77,766 pounds valued at \$27,560 as compared with 89,699 at \$22,880 in June, 1939. The United States, France, Italy, the Netherlands and Switzerland were the leading sources.

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### Imports of Alumina

June imports of alumina including bauxite (ore) advanced to 1,321,702 cwt. valued at \$475,051 from 1,179,193 at \$336,467 in June, 1939. British Guiana contributed 1,202,745 cwt. and the United States the remainder.

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### Imports of Vegetable Oils

Canada imported vegetable oils in June to the value of \$958,000 in comparison with \$805,000 in June, 1939. The United States contributed approximately half of the month's imports. Coconut oil, cottonseed oil, olive oil, peanut oil, palm and palm kernel were among the leaders.

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### April Imports of Crude Petroleum

A notable gain was recorded in the April imports of crude petroleum, the total being 75,865,000 gallons valued at \$2,411,776 as compared with 45,213,000 at \$1,397,387 in April 1939. Fuel oil, ex-warehoused for ships' stores also advanced sharply, aggregating 9,110,097 gallons valued at \$270,279 compared with 1,133,136 at \$28,532 a year ago. As petroleum and products are considered essential war materials, the publication of monthly figures will be discontinued following the present release.

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### Primary Movement of Wheat

Wheat receipts in the Prairie Provinces during the week ended July 31 amounted to 4,655,223 bushels as compared with 4,074,076 in the previous week and 1,279,609 in the corresponding week last year. The receipts follow by provinces, with 1939 figures in brackets: Manitoba, 364,648 (201,969) bushels; Saskatchewan, 1,998,805 (461,317); Alberta, 2,291,770 (616,323).

Marketings of wheat in the Prairie Provinces during the crop year 1940 aggregated 426,253,479 bushels in comparison with 290,442,906 in 1939. The totals follow by provinces, with figures for 1939 in brackets: Manitoba, 53,683,744 (44,308,424) bushels; Saskatchewan, 237,830,803 (117,640,160); Alberta, 134,738,932 (128,494,322).

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### Overseas Export Clearances of Wheat

The export clearances overseas of wheat from Canada during the week ended July 31 amounted to 848,137 bushels as compared with 1,035,031 in the corresponding week last year. The accumulated total for the crop year ended July 31 was 152,704,606 bushels in comparison with 129,088,530 in the previous crop year.

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### Wheat Stocks in Store

Canadian wheat in store on July 31 amounted to 282,280,500 bushels in comparison with 281,358,422 a week ago and 95,000,144 on the corresponding date last year. The amount of Canadian wheat in store in the United States was 27,106,019 bushels compared with 25,222,850 at the end of the previous week and 6,907,000 a year ago.

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## Gypsum Production in May

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Gypsum production moved considerably higher in May, totalling 130,278 tons as compared with 51,049 in April and 116,696 in May, 1939. During the five months ending May, 340,215 tons were produced in comparison with 221,094 in the corresponding period of 1939.

## Indexes of Wholesale Sales in June

The dollar value of wholesale trading in Canada averaged 13 per cent higher in June this year than last, but decreased eight per cent below the level of May. The general unadjusted index of sales stands at 117.6 for June, 127.2 for May and 103.9 for June, 1939. The average of the indexes for the first half of 1940 was 17.3 per cent in advance of the corresponding period of last year.

## Indexes of Retail Sales in June

Improvement in retail trade in Canada over last year, which has been evidenced during earlier months of 1940, was well maintained in June, when sales were 10 per cent higher than in June, 1939, as well as being 1.4 per cent in advance of the previous month. The unadjusted index was 95.6 compared with 94.3 in May and 86.6 in June, 1939. Retail sales during the first half of 1940 averaged 11 per cent higher than for the corresponding period of 1939.

## Current Trends in Food Distribution

Sales of 77 wholesale houses in the grocery trade averaged nine per cent higher than in June last year, according to information made available by the Dominion Bureau of Statistics. Sales of 1,161 chain store units averaged 14 per cent higher than last year, while the dollar value of sales of 1,066 independent grocery and combination stores were five per cent greater.

## Railway Operating Revenues and Expenses

Gross earnings of Canadian railways for May amounted to \$34,629,641 as against \$29,680,004 in May, 1939. Operating expenses increased from \$25,260,941 to \$27,302,566, and the operating income was increased from \$3,189,743 to \$5,759,782. Freight traffic was heavier than in 1939 by 20.5 per cent and passenger traffic increased by 5.1 per cent. The pay-roll increased from \$16,249,914 to \$17,609,596 or by 8.4 per cent for an increase in the number of employees of 10,111 or from 121,175 to 131,286. For January - May, gross revenues increased from \$127,020,440 in 1939 to \$155,186,863 and the operating income from \$2,538,834 to \$18,815,505.

Gross revenues of Canadian lines of the Canadian National Railways were increased from \$14,443,966 in May 1939 to \$17,377,796 or by 20 per cent, while the revenues of the Canadian Pacific Company increased from \$12,076,469 a year ago to \$13,550,825, or by 12.2 per cent. For the five months ended May revenues of the Canadian National system totalled \$91,321,614 in comparison with \$72,492,009 in the corresponding period last year, while the Canadian Pacific revenues aggregated \$61,388,207 as compared with \$51,867,562 in 1939.

## Sugar Refining Industry

The sugar refining industry is of considerable importance in the industrial life of Canada. The output of sugar of all kinds recorded a marked gain during 1939 to 1,156,586,834 pounds, an increase of 113,124,220 over 1938. The production of cane sugar increased by 86,817,724 pounds to a total of 987,266,491 pounds, while that of beet sugar increased by 26,306,496 pounds to a total of 169,320,343. Granulated sugar comprises about 85 per cent of the total sugar production of the industry.





## Production of Leather Footwear

Leather footwear production in June totalled 1,750,984 pairs as compared with 2,192,983 in May and 1,850,673 in June, 1939. Output during the first half of 1940 aggregated 12,725,941 pairs in comparison with 11,249,771 in the corresponding period last year.

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## Reports Issued During the Week

1. Production of Leather Footwear, June (10 cents).
  2. Canada's Leading Mineral Products, May (10 cents).
  3. Security Prices and Foreign Exchange (10 cents).
  4. Index Numbers of Wholesale Prices (10 cents).
  5. Business Conditions in the First Half of 1940 (10 cents).
  6. Oiled and Waterproofed Clothing Industry, 1939 (15 cents).
  7. Telegraphic Crop Report, Prairie Provinces (10 cents).
  8. Canadian Grain Statistics (10 cents).
  9. Imports of Milk and Its Products and Eggs, June (10 cents).
  10. Imports of Non-Ferrous Ores and Smelter Products, June (10 cents).
  11. Imports of Paints and Varnishes, June (10 cents).
  12. Imports of Petroleum and Its Products, April (10 cents).
  13. Imports and Exports of Vegetable Oils, June (10 cents).
  14. Imports and Exports of Fertilizers, June (10 cents).
  15. Imports and Exports of Wire, June (10 cents).
  16. Imports of Pulpwood, Wood Pulp and Paper, June (10 cents).
  17. Imports of Stoves, Sheet Metal Products and Refrigerators, June (10 cents).
  18. Imports and Exports of Coffee and Tea, June (10 cents).
  19. Imports and Exports of Asbestos, June (10 cents).
  20. Imports of Lumber, June (10 cents).
  21. Imports of Rubber, June (10 cents).
  22. Imports of Farm Implements and Machinery, June (10 cents).
  23. Coal and Coke Statistics, June (10 cents).
  24. Imports and Exports of Hides and Skins, June (10 cents).
  25. The Gold Mining Industry, 1939 (50 cents).
  26. Petroleum and Natural Gas Production, May; and Gasoline Sales, April (10 cents).
  27. Cement, Clay Products and Lime, May (10 cents).
  28. Feldspar and Salt Production, May (10 cents).
  29. Car Loadings (10 cents).
  30. Civil Aviation in Canada, 1939 (25 cents).
  31. The Sugar Industry in Canada, 1939 (25 cents).
  32. Operating Revenues, Expenses and Statistics of Railways, May (10 cents).
  33. Current Trends in Food Distribution, June (10 cents).
  34. Monthly Indexes of Retail Sales, June (10 cents).
  35. Monthly Indexes of Wholesale Sales, June (10 cents).
  36. Gypsum Production, May (10 cents).
  37. Silver Production, May (10 cents).
  38. Advance Preliminary Statement of Stocks of Canadian Butter, Cheese and Eggs in Principal Cities, August 1 (10 cents).
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