

## WEEKLY BULLETIN

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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 showed recession in the thirty-fourth week of the year, the general index of carloadings dropping from 93.3 to 90.2. Traffic in the eastern division showed a gain, the index moving up two points to 89.8, while a considerable decline was shown from the high level of the preceding month in the western division.

Minor gain was shown in wholesale prices during the week of August 23, the index rising from 82.5 to 82.6. Advances were shown in crop and animal products, the iron group and in non-ferrous metals. Appreciable gain was also recorded in the index of five sensitive food products. The index on the base of August 1929-100 rose from 126.1 to 126.7.

The feature of the week was the advance in high-grade bond prices. A moderate rise in prices has been in progress for seven weeks. The index of capitalized yields consequently rose more than one per cent over the preceding week and the decline from the same week of 1939 was reduced to 4.7 per cent. Considerable advance was shown in Dominion-Government bonds on the New York market and an announcement that a second war loan of \$250 to \$300 million to be offered early in September was made during the week. Gains were general among the principal issues, the 4's of 1947-57 rising from a bid price of 106 7-8 on August 22 to 107½ on the 29th.

The lack of speculative activity was reflected in bank clearings, the adjusted index receding from 91.8 in the week of August 17, to 91.0 in the week under review. The index of shares traded showed a slight gain over the preceding week but trading remains at an extremely low level. The index of common stock prices advanced from 74.5 to 74.9, comparing with a standing of 92.2 in 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 104.1 in the week under review against 104.4 in the preceding week, a decline of 0.3 per cent. The standing one year ago was 105.2, the indicated decline having been 1.1 per cent.

A Weekly Index with the Components  
1926 - 100

Week Ended	Car load-ings	Whole-sale Prices	Capitalized Bond Yields 1	Bank Clear-ings 2	Prices of Common Stocks	Shares Traded	Weekly Index 3
August 26, 1939	82.6	72.7	146.6	101.9	92.2	67.2	105.2
August 17, 1940	93.3	82.3	138.5	91.8	74.5	16.3	104.4
August 24, 1940	90.2	82.6	139.7	91.0	74.9	19.3	104.1

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.





### Canada's Trade in July

Canada's trade in July totalled \$190,959,406, excluding gold, compared with \$202,-326,491 in June, and \$134,621,474 in July, 1939. Imports were \$89,496,233 as against \$90,704,835 in June and \$57,980,050 a year ago, while domestic exports were \$100,782,062 compared with \$110,823,041 and \$75,753,394. Foreign exports were \$681,111 against \$798,615 in June and \$880,030 last year.

The balance of Canadian trade was favourable to the extent of \$11,966,940 compared with \$20,916,821 in June and \$18,661,374 in July 1939.

### Duty Collected in July

The duty on imports in Canada in July amounted to \$10,491,348 compared with \$12,106,-300 in June and \$7,170,291 in July a year ago.

### Grain of Other Countries in Canada

Stocks of the United States wheat in Canada on August 23 amounted to 351,317 bu. compared with 456,959 a year ago. Other grains were as follows, with the 1939 figures in brackets: United States oats nil (73,912); U.S. barley 4 (13,926); U.S. rye 23,768 (23,-610); U.S. soya beans 13,507 (89,267); U.S. corn 4,282,182 (4,070,428); Argentine corn 975,066 (3,604); South African corn 361,286 (742,977); Australian corn nil (13,774); Argentine flax seed 10,420 (76,756).

### Large Increase in Marriages and Births

There was a very pronounced increase in the number of marriages registered in Canada in July in 67 cities and towns having 10,000 population and over. It was the largest increase in any month since the war began last September. In September last year the number of marriages was 7,966, an increase of  $68\frac{1}{2}$  per cent over the number in September 1938; in July there was an increase of  $134\frac{1}{2}$  per cent. The following were the marriages month by month since the war began, with the figures of the year before in brackets: September 7,966 (4,729); October 7,297 (4,607); November 5,037 (3,419); December 4,967 (3,158); January 3,547 (2,396); February 3,052 (2,314); March 3,192 (1,686); April, 4,011 (2,931); May 4,635 (3,392); June 7,320 (4,981); July 10,287 (4,385).

Births registered in July in 66 cities and towns of Canada having 10,000 population numbered 9,002 and deaths 4,334 as compared with 7,355 births and 4,074 deaths in July 1939, an increase of 21 per cent in births and  $6\frac{1}{2}$  per cent in deaths. During the first seven months of 1940 the births in these cities and towns was 55,111 and deaths 31,627, as against 50,861 births and 31,883 deaths during the corresponding seven months last year. This was an increase of  $8\frac{1}{2}$  per cent in births and a decrease of 1 per cent in deaths.

### Asphalt Roofing Industry

Sales of asphalt roofing in July were as follows, with the figures for 1939 in brackets: asphalt shingles 70,325 (54,696) squares; asphalt siding 12,984 (2,735); smooth surfaced roofing 164,446 (72,793); mineral surfaced roofing 36,336 (46,497); tar and asphalt felt 1,312 (1,583) tons; tar and asphalt sheathing 1,233 (761).

### International Trade in Securities

Although the balance of sales was slightly larger in June than in May the volume of the international trade in securities declined to an unusually low level. Total sales of \$9 million exceeded total purchases of \$6.4 million by \$2.6 million in contrast to sales in May of \$18.3 million and purchased of \$16 million. The net sales in June were distributed between Canadian and United States securities, net sales of the former group being about \$1 million and net sales of the latter group \$1.8 million.

Most of the contraction in volume was in the trade with the United States. Trading in both Canadian and United States securities was lighter. Net sales of Canadian bonds to the United States of \$0.6 million were lower than in preceding months. Dominion, Dominion guarantees and corporation issues were sold on balance while there were small repurchases of provincial, municipal and unguaranteed railway issues. Purchases of new





issues of United States bonds were greater than sales of outstanding United States bonds while net sales of United States stocks by Canadians amounted to more than \$2 million. In contrast to preceding months sales of Canadian common and preference stocks were greater than purchases.

Repurchases of securities from the United Kingdom declined to less than \$0.2 million and this amount was distributed over various groups of Canadian bonds. Trading with other countries was very light and sales of Canadian stocks and foreign bonds were virtually offset by repurchases of Canadian bonds.

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#### Manufacturing Industries in the Maritimes in 1938

Manufacturing production in the Maritime Provinces declined during 1938, compared with the previous year. There was a decrease of \$20,437,630 or 13 per cent in the gross value of production, 8.5 in the number of persons employed, 8.1 in the amount of salaries and wages paid and 10.6 in the value added by manufacture. Compared with the rest of Canada the Maritime Provinces as a unit suffered a greater recession in 1938.

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#### Prices and Price Indexes in July

Commodity price movements were narrow during July, the final weekly index being 82.3 or 0.7 per cent above the opening level. The July monthly index was 82.4 as compared with 81.6 for June. Among the relatively small number of commodities to show price increases were imported coal, dyeing and tanning materials, wood-pulp, gasoline, butter, hogs and wheat. Declines occurred for oats, steers, packer hides, cheese, raw cotton, raw silk, and tin. The Dominion Bureau of Statistics' index of retail commodity prices, rents and costs of services advanced from 86.0 in June to 86.7 in July, foods and fuel being mainly responsible for the increase.

Security markets recorded general advances during July with increases occurring for both stocks and bonds. The Investors' index of 95 common stock prices mounted 7.9 per cent in July. Mining stocks were also firmer. A Dominion of Canada long-term bond price index moved up 0.5 per cent to 114.9.

Canadian Foreign Exchange Control Board rates for sterling and United States funds remained unchanged at \$4.43-\$4.47 and \$1.10-\$1.11 respectively during July. Since July 18th trading in free sterling rates has been limited. This followed new regulations from London permitting only official sterling rates in payment for British exports.

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#### Motor Vehicle Sales in July

Sales of 17,455 new and used motor vehicles were financed in Canada during July for an amount of \$6,751,825, 11 per cent higher in both number and amount of financing than the 15,801 vehicles financed for \$6,108,704 in July a year ago. Declines in new vehicle financing, resulting from diminished sales due to recent tax increases, were offset by improvement in the used vehicle field.

There were 14,607 used vehicles financed for \$4,450,866 in July of this year, an increase of 15 per cent in number and 21 per cent in amount of financing over July, 1939. Ontario recorded the greatest increase with an advance of 21 per cent. Manitoba, Saskatchewan and Alberta registered gains also as did British Columbia, Maritime Provinces and Quebec.

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#### Crop Report

Canada's 1940 harvest is in full swing with generally satisfactory yields reported from all provinces. Early maturing grain fields in the Maritime Provinces have been cut and good yields of average quality are reported. Much needed rains were received last week which will help late crops. Harvesting is well advanced in western Quebec. In eastern Quebec grain yields are below last year's. Cutting and threshing is general in Ontario and the yields and quality of grain crops are satisfactory. About one-quarter of the total flue-cured tobacco crop was damaged by frost in the Norfolk district. Truck crops are doing well, although somewhat late.

In the Prairie Provinces, temperatures moderated during the past week. Cool weather and rains were experienced in Manitoba and eastern Saskatchewan in the latter part of the week. Threshing was well advanced in Manitoba and in the extreme south of Alberta, but





elsewhere in the Prairies it was just nicely started during the week. Cutting varies from completion in the earlier districts to about thirty per cent completed in the latest districts. Wheat yields are good on the whole in Manitoba, and are very favourable in Saskatchewan with some notable exceptions between Moose Jaw and Saskatoon, north-east of Weyburn, and in the extreme south-west where the crops are poor. Alberta yields are exceptionally good. Coarse grains in Manitoba and Saskatchewan do not give much better promise than a year ago, although the yields of these grains are expected to be considerably better this year in Alberta. The flaxseed crop is late, but promising. Light frosts occurred during the week between Edmonton and Lloydminster, while a heavier frost was experienced in north-eastern Saskatchewan and north-western Manitoba. Where wheat still remained to be cut in these areas some damage to the grade has occurred.

The yield and quality of spring grains in British Columbia was not up to earlier expectations due to the prolonged drought in July and wet weather at harvest. Apples have matured earlier than usual and will shortly be moving to market in volume.

#### Bank Debits to Individual Accounts in July

The value of cheques cashed during July amounted to \$2,623 million compared with \$2,377 million in the same month of last year. The expansion of 10.4 p.c. was explained by the acceleration in productive operations and the higher price level. Increases were shown in each of the five economic areas except Quebec. The gain in the Maritime Provinces was 26 p.c. to \$71.1 million. Debits in Quebec were nearly \$770 million compared with \$802 million one year ago. The gain in Ontario was 9.2 p.c. to \$1,089 million. The debits of the Prairie Provinces increased from \$351 million to \$516 million, a gain of nearly 47 p.c. The increase in British Columbia was nearly 5 p.c., Vancouver having shown a gain of 10.4 per cent.

The recession in July from the preceding month was less than normal for the season, the adjusted totals showing a gain of 3.6 per cent. Increases were shown in each of the five economic areas, except Ontario. The gain in the Maritime Provinces was 7.9 per cent and Quebec 10.3 per cent. The decline in Toronto was 7.8, while a recession of 2.5 was shown in the total for Ontario. Gains of 9.6 and 4.5 per cent were recorded in the Prairie Provinces and in Winnipeg. The debits in British Columbia rose from \$166 million to \$177 million, a gain of 13.8 per cent.

#### Canada's Fur Farms

The number of fur farms in operation in Canada in the year 1938 was 10,454, an increase over the preceding year of 1,275. Increases are shown for all provinces, excepting Prince Edward Island and New Brunswick, which record decreases of 192 and 71 respectively. The number of fox farms rose from 7,601 in 1937 to 8,073 in 1938, the number of mink farms from 1,426 to 2,222, and the number of miscellaneous farms (fisher, marten, racoon, etc.) from 152 to 159.

Details of the industry are contained in a report, issued today in booklet form of the industry. This is illustrated with photographs and charts, and is an indispensable mine of information for those interested in the fur business, both at home and abroad.

#### Automobile Industry in 1939

Final statistics for 1939 place automobile production in Canada at 155,426 units valued at \$99,173,916 at factory selling prices, a decline of 6.4 per cent in number and 8.3 in value from the 166,086 units at \$108,158,725 in 1938. Passenger car output fell off to 108,369 units at \$71,101,204 from 123,761 units at \$81,661,687 in 1938 while commercial vehicles advanced to 47,057 units at \$28,072,712 from 42,325 units at \$26,497,038.

Of the 108,369 passenger cars, 65,870 had 6 cylinder engines and 42,499 were equipped with 8 cylinder engines. Of the 47,057 trucks, 173 had 4 cylinder engines, 23,671 had 6 cylinder engines and 23,213 had 8 cylinder engines. Of the year's total, 75,145 passenger cars and 24,058 trucks were made for sale in Canada, while the remaining 33,224 passenger cars and 22,999 trucks were intended for export.

Eight companies manufactured or assembled automobiles during 1939. These concerns had seven plants in Ontario, two in British Columbia and one in each of Quebec, Manitoba and Saskatchewan.





The approximate consumption of motor cars in Canada in any year may be calculated by deducting the number of cars exported from the sum of production and imports. In 1939 production totalled 155,426 and imports amounted to 18,284, making an available supply of 173,710 units, but exports (including re-exports) aggregated 58,723 leaving 114,987 for the Canadian market. Corresponding consumption figures for other years were as follows --- 123,331 in 1938, 161,389 in 1937 and 116,225 in 1936.

Motor car imports advanced in 1939 as compared with 1938. The number in 1939 was 18,284 and the value \$15,673,770 compared with 15,154 and \$12,720,197 in the previous year. Passenger car imports rose to 16,585 at \$13,724,752 from 13,445 at \$10,714,345 while trucks dropped slightly to 1,699 at \$1,949,018 from 1,709 at \$2,005,852. Purchases from the United States advanced to 17,601 at \$15,216,605 from 14,476 at \$12,327,816 while receipts from the United Kingdom remained steady at 681 worth \$454,952 against 661 worth \$385,876.

Imports accounted for 15.9 per cent of the apparent Canadian consumption in 1939 and 12.3 per cent in 1938. Export trade values in Canadian-made automobiles and parts was 2.5 per cent greater in 1939 than in the preceding year. Shipments of trucks advanced to 19,955 at \$8,156,528 from 17,382 at \$6,925,469 while shipments of passenger cars declined to 38,548 at \$14,394,483 from 40,386 at \$15,311,201. The value of parts shipments improved to \$2,991,697 from \$2,679,265. Canada's best markets for automobiles and parts in 1939, in order of importance, were Australia, British South Africa, New Zealand, British India, British Straits Settlements, British West Indies, United Kingdom, Southern Rhodesia and British East Africa.

#### Weekly Index Numbers of Wholesale Prices

Industrial Material price changes were relatively few during the week ending August 23, and the Bureau's index, on the base August 1939-100, was unchanged from the previous week at 121.0. Stable Materials remained at 116.8, while the Sensitive Materials price series rose from 123.9 to 124.0, as an increase in the Food section proved of slightly more importance than a decline in Manufacturing Materials. Higher quotations for wheat and hogs outweighed reductions in oats and steers to advance the former from 126.1 to 126.7 while Manufacturing Materials fell from 123.0 to 122.8, because of recessions in rubber, cotton and raw silk.

General Wholesale Commodities rose from 82.5 to 82.6. Of the eight major groups included in this index, Vegetable Products, Animal Products, Iron and Non-Ferrous Metals advanced, but Non-Metallic Minerals and Chemicals moved lower.

Canadian Farm Products were buoyant, rising from 62.3 to 62.8. Field Products changed from 49.9 to 50.4, supported by grains and potatoes, and Animal Products advanced from 83.1 to 83.5, when a reduction in hides failed to offset increases in livestock and eggs.

#### Reports Issued during the Week

1. Registrations of Births, Deaths and Marriages, July (5 cents).
2. Trade of Canada by Months, January, 1937 to July 1940 (10 cents).
3. Canadian Grain Statistics (20 cents).
4. Asphalt Roofing Industry, July (10 cents).
5. Sales and Purchases of Securities Between Canada and other Countries, June (10 cents).
6. Prices and Price Indexes, July (10 cents).
7. Monthly Financing of Motor Vehicle Sales in Canada, July (10 cents).
8. Manufacturing Industries of the Maritime Provinces, 1938 (25 cents).
9. Automobile Statistics for Canada, 1939 (50 cents).
10. Bank Debits to Individual Accounts, July (5 cents).
11. Weekly Index Numbers of Wholesale Prices, (10 cents).
12. Fur Farming in Canada, 1938 (25 cents).
13. Monthly Review of Wheat Situation (10 cents).
14. Shipping Report for year ended March 31, 1940 (25 cents).
15. Maple Products Report for 1940 (25 cents).
16. Fruit and Vegetable Crop Report (10 cents).
17. Carloadings. (10 cents).
18. Employment Situation, August (10 cents).
19. Tobacco Crop Report (10 cents).
20. Security Prices (10 cents).

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