

WEEKLY BULLETIN

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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 bond yields, and
Speculation - common stock prices and shares traded.
 Notes on the indexes follow.

The railway freight movement recovered moderately in the second week of September. Cars loaded in the Western division numbered 23,085 against 19,972 in the preceding week. A gain of more than 3,000 cars was also shown in the Eastern division. The net result was that the loadings amounted to 61,779 cars against 55,361 and the seasonally adjusted index rose from 81.5 to 83.2.

Wholesale prices showed an increase in the second week of September over the first. The index for 567 commodities rose from 82.8 to 83.0, advances having been shown in crop and animal products. The sensitive index for food prices on the base of August 1939 rose from 129.8 to 131.0. Since the outbreak of the war, at the beginning of September last year, the general wholesale index advanced 10.2 points or 14 per cent. Most of the increase occurred in textiles, chemicals, wood and vegetable products. In the same period the index of Canadian farm products rose 6.2 points or 10.7 per cent.

The index of common stock prices rose from 82.4 to 83.6. Advances were recorded in most groups of the official classification, exceptions being machinery and equipment, pulp and paper and transportation. The index of 15 power and traction stocks rose from 50.4 to 51.4. The bond market was steady in the week under review. The index of capitalized bond yields remained unchanged. The rise in this index from the same week of 1939 was 11.2 per cent. The adjusted index of bank clearings rose one per cent to 95, and speculative trading was more active than in the preceding week. The weekly index rose from 103.6 in the first week of September to 104.5 in the week under review, a gain of 0.9 per cent. The standing in the same week of 1939 was 110.1, a decline of 5.4 per cent having been indicated.

A Weekly Index With Six 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
Sept. 16, 1939	96.0	77.4	126.3	125.2	99.9	507.5	110.1
Sept. 7, 1940	82.4	81.5	140.5	94.1	82.4	23.0	103.6
Sept. 14, 1940	83.2	83.0	140.4	95.0	83.6	48.5	104.5

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 the 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.

Carloadings

For the week ended September 14 the carloadings amounted to 61,779 cars compared with 71,274 a year ago and 55,361 the previous week. The index number adjusted for holidays, etc. moved up from 81.5 for the previous week to 82.2.

The decrease from last year's loading was due mainly to light loading of grain in the western division where loadings dropped from 19,277 cars to 6,908. Total coke loadings pulp and paper and other forest products each declined.

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Coal Tar Distillation Industry in 1939

Production from the Coal Tar Distillation Industry in Canada was valued at \$3,648,080 in 1939, an increase of 26 per cent over 1938.

Firms manufacturing in this line had a capital investment in Canada of \$4,940,020 as represented by lands, buildings, machinery, inventories and accounts receivable, and employed an average of 302 people.

Imports into Canada during 1939 included 3,631,720 gallons of crude tar at \$229,769; 87,178 cwt. of coal pitch at \$59,958; 160,943 gallons of carbolic or heavy oil at \$35,591; and 52,651 gallons of benzol from coal tar for blending with gasoline at \$6,827. Exports included 1,875,385 gallons coal tar and pitch appraised at \$101,255; 154,543 gallons of creosote oil at \$31,584, and 3,721,365 gallons of other tar oils at \$334,774.

Price Movements for August

The general level of wholesale prices showed practically no net change in August, the final weekly index closing at 82.7 compared with 82.6 at the end of July. Among the various group indexes small net increases were recorded for animals and their products, wood, wood products and paper, iron and its products, non-metallic minerals and chemicals. However, minor declines were registered for vegetable products, textiles, and non-ferrous metals. The index of Canadian farm products prices rose 0.8 to 63.1 between the weeks of August 2 and August 30.

An index of living costs for Canada advanced from 105.8 in July to 106.0 for August (1935-1939-100). Fractional increases occurred for foods, fuel and lighting, and miscellaneous items. The index for August was 5.1 per cent above the corresponding August index for 1939.

Mining stock prices moved up 5.4 p.c. to an index level of 107.7. Golds were up 6.8 per cent to 80.5 while base metals closed at 220.6. Dominion long-term bond prices ended the month at 115.7 while yields dropped from 72.3 to 71.2

There was no change in daily buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds during August. These were \$4.43-\$4.47 and \$1.10-\$1.11 respectively. At New York, as the month closed sterling free market rates were quoted at \$4.03½ as compared with \$3.83¾ at the end of July.

Wheat Stocks in Store

Wheat stocks in elevators in Canada for the week ending September 13 were 296,318,016 bushels compared with 283,388,592 bushels for the previous week and 213,676,832 for the corresponding week last year

Canadian wheat in store on September 13 amounted to 331,818,349 bushels, compared with 316,564,031 the week before and 221,952,832 a year ago.

Wheat in transit on the lakes was 2,961,321 bushels and in transit by rail, 15,807,649 compared with 5,000,507 on the lakes, and 28,658,708 on rail last year.

Canadian wheat in United States amounted to 35,500,333 bushels compared with 33,175,439 the week before and 8,276,000 last year

Movement of Wheat

During the week ending September 6 the export clearances overseas of Canadian wheat amounted to 2,303,726 bushels. During the two weeks ending September 13 the export clearances overseas of Canadian wheat amounted to 3,411,294 bushels compared with 4,246,148 in the corresponding two weeks of 1939. The accumulated total for the crop year from August 1 to September 13 was 10,941,858 bushels compared with 14,793,911 a year ago.

Wheat receipts in the prairie provinces during the week ending September 13 amounted to 16,264,339 bushels an increase of 610,698 over the previous week. By provinces the receipts were as follows, the figures within brackets being those for 1939: Manitoba 2,958,215 (5,223,075); Saskatchewan 11,708,782 (29,425,707); Alberta 1,597,342 (8,157,845) bu.

Preliminary Report on Department Store Sales for August

Increased incomes at home together with virtual elimination of tourist shopping in the United States or abroad resulted in a marked increase in Canadian department store sales in August. August sales were 25 per cent higher than in August a year ago and were up 14 per cent from July.

The 25 per cent increase over August last year must be attributed in part to the fact that there were five Saturdays in August of this year and four Saturdays a year ago.

Production of Concentrated Milk in Canada in August

The manufacture of concentrated whole milk products and by-products in August totalled 20,903,192 pounds, a decrease from the preceding month of 8 per cent, but an increase over August 1939 of 22 per cent.

For the eight months ended August 31, the total output of all items was 139,338,925 pounds, compared with 112,118,796 pounds in the corresponding period of 1939.

Canada's Exports in August

(a) During the month of August Canada's exports to the United Kingdom and other British Empire countries continued to swing upwards. Out of a total of \$110,548,000 no less than \$63,403,000 went to the British Empire and \$47,145,000 to other countries. The total to the United Kingdom was \$46,790,000 and to the United States \$42,572,000. Thus the United Kingdom has become once again Canada's best market for her commercial products.

The following were the exports, excluding gold, to leading empire countries, the figures in brackets being those for 1939: British Empire \$63,403,330(\$39,114,892); United Kingdom \$46,790,386(\$30,369,703); British South Africa \$5,487,472(\$1,520,853); Australia \$3,681,675(\$3,653,208); British West Indies \$1,747,657(\$885,055); New Zealand \$1,143,161(\$761,473); Newfoundland \$1,090,325(\$694,313); Ireland \$1,079,810(\$271,804); British India \$804,983(\$208,435); Straits Settlements \$380,200(\$186,695); British East Africa \$258,778(\$65,511); Southern Rhodesia \$239,306(\$82,233); British Guiana \$226,654(\$93,259); Bermuda \$128,834(\$93,435); Gold Coast \$58,572(\$3,397); Sierra Leone \$28,497(\$1,252).

Exports to other principal countries were as follows, with 1939 figures in brackets: United States \$42,572,441(\$26,901,833); Japan \$771,626(\$2,013,708); Portugal \$497,816(\$8,987); Brazil \$496,418(\$180,798); China \$399,990(\$88,644); Argentina \$341,019(\$425,664); Philippines \$307,159(\$66,937); Mexico \$201,806(\$174,376); Azores and Madeira \$100,466(\$734); Sweden \$64,739(\$320,167); Switzerland nil(\$31,517); Iceland \$10,613(\$37); French West Indies \$81,795(\$9,252); Finland \$7,521(\$24,674).

The increases in the exports of commodities were almost along the whole line of Canadian commercial activity. There were large increases in wheat, wheat flour, fishery products, furs, meats, cheese, lumber, wood pulp, paper, farm implements, automobiles, asbestos, chemicals and iron and iron products generally.

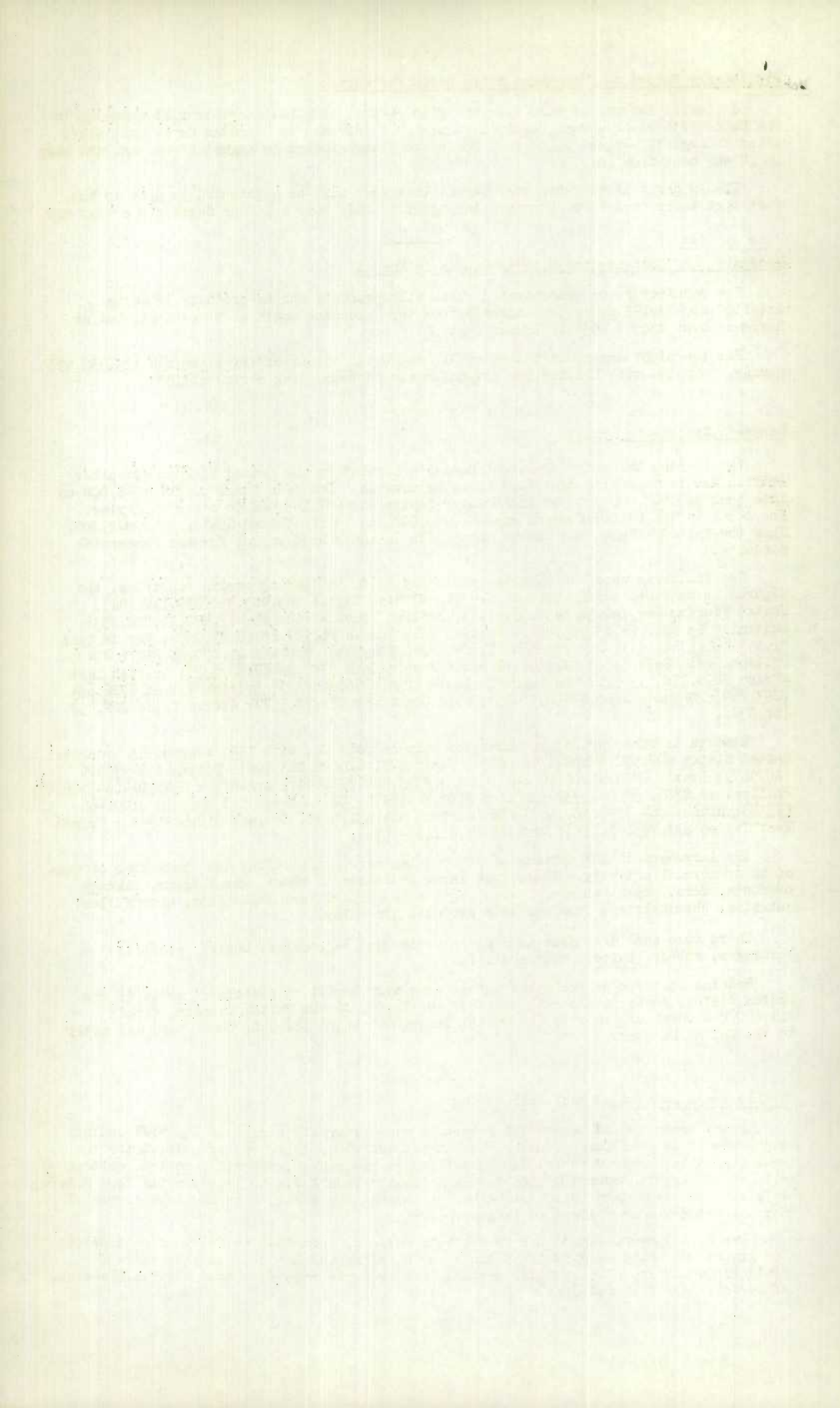
There were some decreases such as in fruits and vegetables, barley, alcoholic beverages, rubber, butter, wool and silk.

Special features of the sales abroad were over 4 million bushels of wheat to the United States, meats to the value of over \$4,776,000 to the United Kingdom, almost \$11,000,000 worth of paper to the United States and about \$11,500,000 of wood and paper to the United Kingdom.

Weekly Index Numbers of Wholesale Prices

Price movements of Industrial Materials were generally narrow in the week ending September 13 and the index, on the base August 1939-100, decreased from 121.5 for the week ending September 6 to 121.4. Reductions in raw rubber, raw silk, cotton, cottonseed oil and tin ingots lowered Manufacturing Materials from 122.4 to 121.7, while Food Materials rose from 129.8 to 131.0, as higher quotations for wheat, oats and hogs proved of more importance than a decrease in steers.

During the week, Canadian Farm Products moved up from 63.8 to 64.4. Higher prices for grains and potatoes outweighed declines in onions and hay to raise the index for Field Products from 50.7 to 51.4, while Animal Products rose from 85.8 to 86.1, because of advances in hides and eggs.



Monthly Financing of Motor Vehicles Sales in August

Financing of new and used motor vehicle sales in Canada during August, totalled 14,561 units with a financed value of \$5,698,473, 3 per cent in number and 1 per cent in amount of financing above August, 1939. Cumulative totals for the first eight months showed gains of 15 per cent in number and 18 per cent in amount of financing. New vehicle financing declined 16 per cent in number and 12 per cent in amount below August of 1939.

Railway Traffic in June

Revenue freight loaded at Canadian stations and received from foreign connections during June amounted to 8,307,983 tons compared with 8,314,129 tons in May and 5,824,030 tons in June, 1939. The calendar is responsible for this apparent reduction from May. There were five Sundays and five Saturdays in June.

June, 1939 also contained only four Sundays and four Saturdays so that comparisons are for unlike periods of time, but ignoring this defect in the calendar, agricultural products were heavier than in 1939, by 81 per cent and animal products declined by 1.5 per cent. Many commodities showed large increases; wheat increased from 327,797 tons to 1,152,384 tons; iron ores from 814 tons to 45,356 tons, sand and gravel from 135,499 tons to 322,282 tons, the total increase being 2, 483,953 tons or 43 per cent.

Building Permits

The August report of Building Permits includes returns from 152 of the 204 municipalities in Canada which have systems for issuing such permits and of this number 142 reported detailed operations. The total value of permits reported as issued is \$10,103,306. Revised values for the month of July include returns from 189 municipalities and aggregate \$11,145,709. Reports were received from 50 of the original 58 municipalities and show a value of \$6,819,076 for the last month. The corresponding revised value for July includes 56 returns and is \$8,089,916 while the July 1939 value was \$6,178,212.

The total value of permits issued by all municipalities during the eight elapsed months of the current year is \$68,550,380. The value for the 58 municipalities for the same period is \$49,281,987, while their corresponding value in 1939 was \$39,807,093.

During the month of August new construction of all types amounted to 72.5 per cent of the total value, while the percentage of new residential construction was 40.0.

Production of Honey

A preliminary estimate, based on returns of producers as at August 15, places the probable Canadian production of light honey 20 per cent lower than the crop of 1939. Decreases in production are evident in four of the main producing provinces, Quebec, Ontario, Manitoba and Alberta. The crops are expected to be higher in Saskatchewan, British Columbia, and the Maritime Provinces than the 1939 production.

Sand-Lime Brick Industry in 1939

Four plants in Ontario and one in Quebec manufactured sand-lime building brick during 1939. The value of their production, was \$212,223 compared with \$153,763 in 1938.

Those five plants had a capital investment in Canada of \$382,745 as represented by the value of lands, buildings, machinery, inventories and accounts receivable, and employed an average of 74 persons monthly.

Output of sand-lime brick amounted to 11,805 M valued at \$133,168, an increase in both quantity and value from the 8,774 M brick at \$99,573 in the previous year. Production of sand-lime building blocks also increased to \$67,407 from \$37,660.

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The Musical Instrument Industry in 1939

Reports were received from seventeen establishments which were located as follows: Quebec, five; Ontario, eleven; and British Columbia one. This is one establishment less than in 1938. These factories represented a total capital investment in fixed and current assets of \$3,295,334. The number of persons employed totalled 545 with a payroll amounting to \$527,345. The cost of materials used was \$376,615, the value of production \$1,068,048 and the value added by manufacture \$652,978.

The output of the musical instruments industry which for some years past had been steadily declining, showed a marked improvement in 1937, although the improvement was not completely maintained in 1938 and 1939. The number of pianos manufactured and in process of manufacture in 1939 totalled 3,092 valued at \$469,598 as compared with 3,569 valued at \$547,235 the previous year, a decrease of over 13 per cent in the number of instruments. The gross value of products also showed a decrease of less than 1 per cent, from \$1,085,961 in 1938 to \$1,068,048 in 1939. Decreases were also reported in the number of employees, and cost of materials used, while the salaries and wages paid were higher. The main products of this industry, viz., the radios and phonographs, are now produced in the electrical apparatus industry. The output of these manufactures, however, cannot be credited to this industry in view of the fact that electrical apparatus and not radios and phonographs form their main products.

Imports of musical instruments in 1939 were valued at \$1,037,839 as compared with \$1,235,688 in 1938, while exports amounted to \$40,690, in 1939 and \$94,676 in 1938.

Reports Issued During the Week

1. The Musical Instrument Industry in Canada, 1939 (15 cents).
 2. The Sand-Lime Brick Industry, 1939 (15 cents).
 3. Carloadings (15 cents).
 4. Canadian Grain Statistics (20 cents).
 5. Price Movements, August (Preliminary).
 6. The Coal Tar Distillation Industry, 1939 (15 cents).
 7. Production of Concentrated Milk, August (10 cents).
 8. Preliminary Report on Department Store Sales, August (10 cents).
 9. Summary of Canada's Exports (excluding gold) August (10 cents).
 10. Weekly Index Numbers of Wholesale Prices (10 cents).
 11. Wheat Stocks in Store
 12. Monthly Financing of Motor Vehicle Sales in Canada, August (10 cents).
 13. Monthly Traffic Report of Railways of Canada (5 cents).
 14. Building Permits Issued in Canada, August (10 cents).
 15. Canada's Domestic Exports by Principal Countries, Excluding Gold (10 cents).
 16. 1940 Honey Crop, (10 cents).
 17. Security Prices, (10 cents).
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