

WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce

Vol. VIII - No. 6

Ottawa, Saturday, February 10, 1940

Price \$1.00 per annum

A Weekly Index

There are six available indexes on a weekly basis in Canada that reflect the general economic trend. These cover respectively general business (carloadings and wholesale prices), finance (bank clearings and bond yields), and speculation (common stock prices and shares traded). Notes on these indexes follow:

The railway freight movement showed further gain in the fourth week of the year. The index of carloadings rose from 85.4 to 88.0. The standing in the same week of 1939 was 70.6. The traffic movement during the first four weeks of the year was nearly 185,000 cars compared with 158,000 in the same period of last year. Each of the eleven commodity groups, except livestock, is now showing a gain over the corresponding period of last year.

A recession was shown in commodity prices during the week ended February 2, the index receding from 82.4 to 82.2. Recessions were shown in crop products, animal products, textiles, and non-metallic minerals. Grain prices reached a lower level on February 3, No. 1 Northern wheat dropping from $82\frac{1}{2}$ to $80\frac{7}{8}$. The index of 18 sensitive commodities on the base of 1926, receded from 68.8 to 67.6 in the week of February 2. The standing in the same week of 1939 was 52.7. Lead and zinc were maintained on the New York market, while electrolytic copper showed minor recession. The export quotation dropped from 11.70 to 11.60.

The advance in high-grade bond prices was continued for the third consecutive week. The average yield of the issues included in the index declined from 3.33 to 3.31. Recovery has been comparatively rapid and in the past three weeks the index advanced 2.3 points reaching a standing 0.3 per cent above the November high position, but still remaining below pre-war levels.

The index of common stock prices was 98.1 against 98.6 in the preceding week, a decline of 0.5 per cent. The decline from the same week of last year was three per cent, the standing at that time having been 101.1. The adjusted index of bank clearings was 92.2 against 91.2 and shares traded showed a considerable increase.

The general index computed by weighting inversely the six indexes on the basis of their tendency to fluctuation was 105.1 in the week of February 3, against 104.2 in the preceding week.

Weekly Index with the Six Components
1926=100

Week Ended	Car load-ings ¹	Whole-sale Prices	Capitalized Bond Yields ²	Bank Clear-ings ³	Prices of Common Stocks	Shares Traded	Weekly Index ⁴
Feb. 4, 1939	70.6	73.2	146.0	100.5	101.1	179.3	103.7
Jan. 27, 1940	85.4	82.4	136.0	91.2	98.6	59.2	104.2
Feb. 3, 1940	88.0	82.2	137.0	92.2	98.1	67.0	105.1

1. The index of carloadings is projected forward one week to correspond with the practice in computing the weekly index. 2. Present value of a fixed net income in perpetuity from Dominion long-term bonds. 3. 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. 4. 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.

Securities Trade Between Canada and Other Countries in 1939

An unusually large inflow of capital to Canada is reflected in statistics of the international trade in securities in 1939. Total sales of securities amounting to \$311,000,000 exceeded total purchases of \$238,900,000 by \$72,100,000. This is the largest balance of sales recorded in any of the seven years for which the present series of records are available, comparing with net sales of \$28,900,000 in 1938 and the large balance of \$51,000,000 attained in both 1933 and 1935. Net sales were reported in each month of 1939 except June and September.

Most of the inflow of capital in 1939 is recorded in the trade with the United States. Of the total net sales to all countries, \$57,400,000 originated in the trade with the United States. The remaining inflow was from overseas countries other than the United Kingdom, net sales to these countries being \$20,200,000, while in the trade with the United Kingdom there were net repurchases by Canadians of \$5,500,000.

The inflow of capital from the United States arose from sales of both Canadian and United States securities. Net sales of Canadian securities to the United States amounted to \$38,300,000. The balance of sales of Canadian bonds exceeded this but repurchases of Canadian stocks by residents of Canada partly offset the sales of bonds. Dominion, provincial, Dominion guaranteed and corporation bonds were in greatest demand in the United States. Gross sales of securities to the United States in 1939 were lower than in 1938, but as there was a sharp decline in purchases by Canada the net sales were higher.

The inflow of capital from overseas countries was mainly from the continent of Europe and most of this demand was for the stocks of Canadian companies. Net sales of Canadian stocks to this group of countries totalled \$17,600,000, while net sales of Canadian bonds were \$1,900,000.

In the trade with the United Kingdom Canadians repurchased both Canadian stocks and Canadian bonds on balance. Repurchases were heaviest in the trade in corporation and municipal bonds but were partly offset by net sales of Dominion issues.

Cost of Living

Moderate recessions for foods were responsible for a slight decline in the cost of living index from 85.5 in December to 85.3 in January. The comparative figure for January 1939 was 83.3. An index for foods fell from 79.3 in December to 78.5, due principally to decreases in eggs, creamery butter, lard, salmon and codfish. These were of greater consequence than increases in meats, canned vegetables, potatoes, tea and coffee. An increase in the coal sub-group from 88.0 to 88.5, and in that for coke from 85.9 to 86.2 resulted in a rise in the fuel index from 86.1 to 86.4.

Retail and Wholesale Sales in December

Extent of the brisk Christmas buying is reflected in the retail trade index for December, sales averaging 38 per cent higher than in November and nine per cent above December, 1938. The index at 122.2 was at its highest point in nine years. In November the standing was 88.6 and in December, 1938, 112.6. Average monthly sales in 1939 were three per cent higher than in 1938.

Dollar value of wholesale sales in December was down eight per cent from November but was nine per cent above the December 1938 level. The general index on the 1930 base as 100 stands at 94.3 for December, 102.8 for November and 86.7 for December, 1938. Preliminary calculations reveal that 1939 monthly indexes averaged seven per cent higher than in 1938.

Stocks of Canned Fruits and Vegetables

Stocks of canned fruits held by canners, wholesale dealers and chain store warehouses on January 1 amounted to 1,750,520 cases compared with 1,173,267 on October 1 and 1,625,962 on January 1, 1939. Stocks of canned vegetables totalled 4,395,496 cases compared with 5,693,802 on October 1 and 6,794,806 on January 1, 1939.

Character of Canada's December Imports

A sharp advance was recorded in the value of Canada's December imports when the total was \$72,109,000 compared with \$44,286,000 in December, 1938. Purchases from the United States were a feature, the value increasing to \$49,103,000 from \$29,188,000 a year ago. Imports from the United Kingdom rose to \$8,459,000 from \$7,033,000. Each of the nine main groups were considerably in advance of 1938, gains in agricultural and vegetable products, fibres, textiles and products and iron and its products being most noteworthy.

The following were among the leading items imported during the month, with 1938 totals in brackets: cotton, including linters and yarn, \$4,804,000 (\$1,979,000); automobiles and parts, \$4,782,000 (\$4,077,000); machinery, \$3,712,000 (\$2,271,000); sugar, \$3,085,000 (\$1,231,000); plates and sheets, \$2,917,000 (\$1,333,000); coal, \$2,641,000 (\$2,731,000); fruits, \$2,418,000 (\$1,481,000); wool, including raw wool, noils and tops, worsted and serges, \$2,380,000 (\$1,499,000); crude petroleum, \$2,009,000 (\$1,326,000); rubber, \$1,849,000 (\$986,000); electric apparatus, \$1,463,000 (\$991,000); farm implements, \$1,447,000 (\$512,000); hides, \$1,250,000 (\$259,000); books and printed matter, \$1,309,000 (\$1,274,000).

Imports of Petroleum

December imports of petroleum included 62,793,000 gallons of crude, 50,410,000 of which came from the United States and 10,330,000 from Colombia. In November the amount was 144,096,000 gallons and a year ago, 40,938,000. There was a large advance in the imports of fuel oil for ships' stores, the amount being 6,354,943 gallons compared with 4,664,043 in November and 2,866,457 a year ago. Imports of crude petroleum during the calendar year 1939 amounted to 1,292,469,000 gallons compared with 1,226,340,000 in 1938, and of fuel oil 41,057,202 gallons compared with 31,198,446 in 1938.

Footwear Trade in December

Imports of footwear, except rubber, in December were valued at \$95,380 compared with \$176,755 in November and \$100,577 in December, 1938. The amount from the United States was \$77,340 and from the United Kingdom \$15,807. During the calendar year the imports were \$2,658,826 against \$2,284,947 in 1938.

Exports of leather boots and shoes in December amounted to \$28,389 compared with \$76,637 in November and \$62,130 in December, 1938. Exports in 1939 aggregated \$711,381 compared with \$776,672 in 1938.

Rubber Imports in December

Raw rubber imports in December amounted to 6,775,497 pounds compared with 3,482,017 in November and 4,924,258 in December, 1938. The amount from the Straits Settlements in December was 5,416,831 pounds. Imports during 1939 aggregated 70,816,852 pounds compared with 57,562,865 in 1938.

Asbestos Trade in December

Exports of Canadian asbestos in December amounted to 24,025 tons valued at \$1,820,079 compared with 23,348 at \$1,594,585 in November and 15,196 at \$1,102,596 in December, 1938. During 1939 the exports aggregated 186,238 tons valued at \$12,463,177 compared with 165,744 at \$10,872,435 in 1938. The December exports went mainly to the following countries: United States, 9,339 tons; Belgium, 5,500; France, 4,393; Japan, 3,073 and the United Kingdom 1,041. The value of exports of asbestos sand and waste in 1939 was \$2,902,111 and in 1938, \$2,237,751.

Cheese Imports in December

The December imports of cheese were valued at \$47,324 as against \$93,924 in November and \$36,268 in December, 1938. During the calendar year 1939, imports of 1,396,713 pounds were valued at \$377,867; in 1938 the amount was 1,386,645 pounds at \$311,635.

Prices, Production and Values of Field Crops

Index numbers of average farm prices for field crops in the 1939-40 season showed a very slight increase over the previous year. Based on the crop year 1913-14, the index rose one point from 79.4 to 80.4, and based on the crop year 1926-27 the index gained 0.7 from 54.7 to 55.4. The 1939-40 average prices are estimated from prices received during the first five months, August-December, of the 1939-40 crop year, and are therefore subject to revision when records for the whole twelve months are complete. Although 1939 crop prices in the Central and Maritime Provinces were generally higher than in the previous year, the lower prices for wheat in the Prairie Provinces almost offset these gains.

Index numbers of the physical volume of field crop production showed an appreciable advance from 125.1 per cent of the 1913-14 level in 1938 to 142.4 per cent in 1939. Practically all of the increase was due to an increase in crop production in the Prairie Provinces, particularly in wheat.

Combining physical production and prices, the total value of all crops in 1939-40 rose to 114.5 per cent of the 1913-14 value as compared with 99.3 in 1938-39. Index numbers of the value of production increased in all provinces except Alberta. The gains were most pronounced in Saskatchewan where the index numbers of production and value of crops reached the highest point in the decade. The index of value rose from 80.8 per cent (1913-14 base) for the 1938-39 season to 128.6 for 1939-40.

Wheat Stocks in Store

Canadian wheat in store on February 2 amounted to 335,636,331 bushels compared with 336,358,438 a week ago and 156,621,798 on the corresponding date last year. The amount in store in the United States was 34,202,434 bushels compared with 33,936,118 a week earlier and 6,246,000 in 1939.

Overseas Export Clearances of Wheat

Export clearances overseas and imports of Canadian wheat into the United States during the week ended February 2 amounted to 4,303,982 bushels as compared with 2,944,171 in the corresponding week last year. The accumulated total for the period from August 1 to February 2 was 72,250,682 bushels in comparison with 77,482,831 in the same period of the previous crop year.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces for the week ending February 2 amounted to 853,504 bushels compared with 796,451 in the previous week and 1,062,065 in the corresponding week last year. By provinces the receipts were as follows, with figures for 1939 in brackets: Manitoba, 30,482 (89,747) bushels; Saskatchewan, 355,836 (349,418); Alberta, 467,186 (622,900).

Marketings in the three provinces for the twenty-seven weeks ended February 2 aggregated 367,714,870 bushels compared with 259,651,965 in the corresponding period last year. The totals follow by provinces: Manitoba, 50,377,075 (40,614,091) bushels; Saskatchewan, 205,026,302 (103,566,438); Alberta, 112,411,493 (115,471,436).

Stocks of Foreign Corn

Stocks of foreign corn in Canada on February 2 amounted to 2,814,652 bushels in comparison with 4,859,962 on the corresponding date last year. The countries of origin were as follows, with 1939 figures in brackets: United States, 1,619,202 (4,146,975) bushels; South Africa, 1,193,391 (496,431); Argentina, 59 (29,750); Australia, nil (186,806).

World Shipments of Wheat

World shipments of wheat during the week ending February 3 amounted to 7,939,000 bushels compared with 10,605,000 in the previous week and 14,272,000 in the corresponding week of 1939. During the first twenty-seven weeks of the crop year world shipments aggregated 224,396,000 bushels compared with 296,088,000 in the corresponding period last year.

Gypsum Production in November

Gypsum production in November totalled 185,995 tons as compared with 197,302 in October and 96,921 in November, 1938. Output during the eleven months ending November aggregated 1,290,427 tons, or 39.2 per cent above the total for the corresponding period of 1938.

Silver Production in November

Canadian producers reported an output of 1,696,215 ounces of silver in November compared with 1,683,164 in October and 1,705,601 in November, 1938. An increase of 2.3 per cent was recorded in the output during the first eleven months of 1939 when 21,016,777 ounces were produced as against 20,543,203 ounces a year ago.

The United States produced 5,113,000 ounces of silver in November as compared with 4,874,000 in October. The Peruvian output during the eleven months ending November aggregated 17,389,000 ounces, while Mexico produced 63,120,000.

Canadian Tobacco Industry

The output of the tobacco manufacturing industry in 1938, including excise duties, was valued at \$85,083,300, which represents an increase of \$987,672 or over one per cent above that of the previous year. Cigarettes formed the main item of production with an output of 6,899,735 thousand valued at \$53,224,900. Smoking tobacco was next in importance with an output of 22,757,092 pounds valued at \$22,882,143. This was followed by cigars with a production of 132,715 thousand valued at \$5,689,958, chewing tobacco, 2,591,284 pounds valued at \$2,182,802, and snuff, 811,904 pounds valued at \$1,102,924.

The tobacco industry also contributes materially to the agricultural economy of Canada. Of the total of \$22,880,770 in materials used in this industry, \$13,293,200 was for domestic raw leaf tobacco. All told, the tobacco industry consumed 44,327,041 pounds of raw leaf tobacco, of which 39,506,386 pounds were of domestic origin. For the production of cigars, 604,688 pounds of imported and 2,328,259 pounds of domestic tobacco were used; for the production of cigarettes, 2,445,299 pounds of imported and 15,857,006 pounds of domestic tobacco were required, while for the production of smoking and chewing tobacco and snuff, 1,770,668 pounds of imported and 21,321,121 pounds of domestic tobacco were used.

Reports Issued During the Week

1. Imports of Rubber, December (10 cents).
2. The Footwear Trade, December (10 cents).
3. Imports of Petroleum and Its Products, December (10 cents).
4. Imports and Exports of Pipes, Tubes and Fittings, December (10 cents).
5. Imports of Paints and Varnishes, December (10 cents).
6. The Asbestos Trade of Canada, December (10 cents).
7. Imports of Milk and Its Products and Eggs, December (10 cents).
8. Summary of Canada's Imports, December (10 cents).
9. The Tobacco Industries in Canada, 1938 (25 cents).
10. The Tobacco Industries in Canada, 1938 (25 cents).
11. The Soaps, Washing Compounds and Cleaning Preparations Industry, 1938 (25 cents).
12. Index Numbers of Wholesale Prices (10 cents).
13. Index Numbers of Prices, Production and Values of Field Crops (10 cents).
14. Leather Gloves and Mittens, 1938 (20 cents).
15. Security Prices and Foreign Exchange (10 cents).
16. Silver Production, November (10 cents).
17. Gypsum Production, November (10 cents).
18. Price Movements, January (10 cents).
19. Canadian Grain Statistics (10 cents).
20. Current Trends in Food Distribution, December (10 cents).
21. Operating Results of Country General Stores, 1938 (15 cents).
23. Sales and Purchases of Securities Between Canada and Other Countries, 1939 (10 cts.).
24. Handles, Spools and Woodturning, 1938 (10 cents).
25. Sugar Report, December 9 to December 31, 1939 (10 cents).
26. Summary of Sugar Report, 1939 (50 cts).
27. Monthly Review of Business Statistics, July (10 cents).
28. Car Loadings (10 cts).
29. Retail Sales, December (10 cts).
30. Wholesale Sales, December, (10 cts).
31. Aluminium Products Industry, 1938 (25 cents).
32. Butter, Cheese and Eggs in Cold Storage, February 1 (10 cts).
33. Occupations, Unemployment, Earnings and Employment, Households and Families, Manitoba, Census of 1936 (50 cents).
34. Monthly Bulletin of Agricultural Statistics, December (10 cents).



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