

WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce

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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 the indexes follow:

The railway traffic movement showed recession in the sixth week of the year, the index receding from 87.6 to 84.9. The drop was general in the Eastern and Western divisions. An increase of 10,507 cars or 27 per cent was shown over the same week one year ago. The total movement in the six weeks of the year was 285,267 cars compared with 238,081 in the same period of 1939, a gain of more than 47,000 cars. Each of the eleven commodity classes except livestock recorded gains, the traffic in grain products showing an increase of 17,300 cars.

Wholesale prices were stronger in the week ended February 16, the index advancing from 82.2 to 82.5. The increase in No. 1 Northern wheat was from 81 7/8 to 83 1/8. Coarse grains, except barley, on the other hand, recorded decline on the Winnipeg exchange. The index of 18 sensitive commodities receded from 131.9 in the week of February 9th, to 131.6 in the week under review. Domestic electrolytic copper in New York was 11.50 on February 20th, against 11.25 on the 13th. The quotation for export copper rose from 11.50 to 11.81. An advance was shown in tin prices while lead and zinc were maintained.

Common stock prices were slightly higher in the week of February 15th. Each of the groups in the industrial classification recorded a gain, the general index advancing from 99.3 to 99.9. The index of 15 power and traction stocks was maintained at 60.7.

Bond prices, based on yields to maturity, recovered in the week of February 15th. The yield on the issues included in the index declined from 3.32 to 3.31. The decline in the index of capitalized bond yields from the same week of 1939, however, was 7.7 per cent, an advance of 0.4 per cent having been shown over the preceding week. The adjusted index of bank clearings recorded a minor increase and speculative trading was at a much higher level.

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 practically unchanged from the preceding week, at 109.0.

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. 18, 1939	67.0	73.3	146.4	91.7	103.7	57.3	101.8
Feb. 10, 1940	87.6	82.2	136.4	117.3	99.3	52.1	109.0
Feb. 17, 1940	84.9	82.5	137.0	117.4	99.9	106.8	109.0

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.

Change in Publication System

The December issues of the monthly "SUMMARY OF THE TRADE OF CANADA" and "QUARTERLY TRADE REPORT" will be the last to be issued in the present form. Beginning with January, 1940, the Dominion Bureau of Statistics will issue a single Monthly Report which will combine the features of the present Monthly Summary and Quarterly Trade Reports. The price for the new report is 75 cents per single copy, and \$7.50 per annual subscription.

Marked Gain in Business during January

A number of important economic factors averaged higher in January than in the preceding month. According to preliminary calculations, the index of the physical volume of business recorded a marked advance. As business operations have been accelerated steadily for about twelve months, the present standing is more favourable than at any time during the last twenty years.

The advance in wholesale prices initiated at the outbreak of war was continued in January, the official index averaging higher than in the preceding month. The advance of the last five months has almost counteracted the decline from the beginning of 1938 to August last. Following the weekly advance during the last four months of 1939, a tendency towards stabilization has been shown in the last six weeks.

The marked decline in high-grade bond prices during September was partially offset by an advance in the following month. Upon the favourable reception of the first war loan, the high-grade market was at a higher standing for three weeks culminating about the first week in February. The performance of the bond market in face of Canada's participation in a major war is a matter of satisfaction.

The index of bank deposits receded slightly at the beginning of the year from the maximum of the preceding month. Demand deposits amounted to \$853 million compared with \$866 million, while notice deposits rose from \$1,735 million to \$1,741 million. After adjustment for seasonal tendencies, the index receded from 135.3 to 134.9.

Common stock prices averaged lower than in December, while speculative trading was at a low level handicapped by the approach of Dominion financing.

Five of the eight factors indicating the trend of mineral production recorded advances in January over the preceding month after seasonal adjustment. The exports of copper were 48.2 million pounds against 35.4 million, the index advancing from 305 to 517. The increase in nickel exports was less than normal for the season, the total having been 20.6 million pounds against 17 million. The index, however, receded from 450 to 372. Lead production showed a minor gain after seasonal adjustment. Zinc exports recorded an appreciable increase, the amount having been 36.5 million pounds against 27.2 million. The gain in the receipts of gold at the Mint was less than normal for the season, the total having been 422,868 ounces against 417,483. Silver shipments were 1,656,000 ounces against 1,608,000. A decline was shown in asbestos exports. Coal output, on the other hand, showed a contra-seasonal gain, the index rising 16 points to 103.7.

The flour milling industry was outstanding among industries manufacturing foodstuffs. The output of flour showed a marked gain after seasonal adjustment in the latest month for which statistics are available, the index rising from 90 to 124. The manufacture of sugar was at a lower level, the decline being somewhat greater than seasonal expectations. The index for inspected slaughterings showed a minor decline. The slaughtering of sheep and lambs recorded a gain, while cattle and hogs were at a somewhat lower position. The output of dairy products was nearly maintained, while the export of canned salmon was in much greater volume.

The activity in the cotton textile industry was carried to an even higher level, the index of consumption rising from 171.4 to 174.9. The forestry group recorded considerable expansion in operations during January, gains being recorded in each of the four indexes used in this connection. Newsprint production was 251,032 tons against 240,656, the index rising from 159 to 168. The export of planks and boards rose from 150.3 million feet to 167.5 million. The export of wood pulp and shingles also recorded some increase.

The primary iron and steel industry was more active in January than in the preceding month. The production of steel ingots rose from 150,062 tons to about 163,000. The gain in pig iron production was from 94,600 tons to 104,700. The automobile industry accelerated operations over December, the total output having been 17,250 units against 16,978.

The construction industry was less successful in obtaining new business, the index of contracts awarded dropping from 64.8 to 52.9. The railway freight movement was more active in January, the total having been 210,229 cars, against 199,862. The index rose about four points to 86.7.

Economic Factors in January last compared with
December and January 1939

		January 1940	January 1939	December 1939
Index of Physical Volume of Business ...	1926=100	*	113.0	133.3
Capitalized bond yields	1926=100	134.4	148.4	133.2
Bank deposits	1926=100	134.9	124.6	135.3
Copper exports	cwt.	431,667	354,467	353,759
Nickel exports	cwt.	205,805	193,109	169,990
Zinc exports	cwt.	364,787	281,288	272,019
Asbestos exports	tons	12,437	7,877	24,025
Sugar manufactured	lb.	54,728,387	18,575,206	190,390,511
Cheese, factory production	lb.	1,491,390	1,445,040	2,528,915
Butter, creamery production	lb.	10,385,686	9,810,077	11,901,177
Newsprint production	tons	251,032	208,382	240,656
Planks and boards exported	M f .	167,527	156,211	150,312
Shingles exported	squares	173,334	277,882	42,076
Steel ingot production	L.tons	163,000	78,198	150,062
Pig iron production	L.tons	104,703	57,660	94,620
Automobile production	no.	17,250	14,794	16,978
Carloadings	no.	210,229	171,822	199,862

*Available information shows considerable increase in January over December in the physical volume of business.

Bank Debits to Individual Accounts in 1939

Financial transfers in the form of bank debits were 2.2 per cent or \$693,000,000 greater in 1939 than in 1938. The total was \$31,617,000,000 compared with \$30,924,000,000 in 1938. Three of the five economic areas recorded gains in this comparison, the exception being Quebec and Ontario. Twenty-one of the thirty-two centres recorded advances over the preceding year. Relatively minor recessions were shown in Montreal and Toronto contrasting with the advance in Winnipeg and Vancouver.

The upward fluctuation in bank debits conformed with the movement in a majority of economic factors. Some recession had been shown in 1938 from the relatively active year of 1937. The recovery was resumed during the year under review. Expansion had been shown during the first eight months of the year and the outbreak of war tended to accelerate the movement. The abundant grain harvest was another stimulating factor during the latter part of the year.

Domestic Exports in January

Canada's domestic exports in January were valued at \$90,100,000 compared with \$70,083,000 in January, 1939, a gain of 28.6 per cent. The United Kingdom was the leading purchaser with a total of \$39,555,000 compared with \$25,554,000, an increase of 54.8 per cent, the United States being in second place at \$28,809,000 compared with \$25,331,000, up 13.7 per cent.

Australia, with a gain of 70 per cent, was in third place at \$5,202,000 compared with \$3,054,000. France was next at \$2,618,000 compared with \$825,000, followed by Japan, \$2,133,000 compared with \$2,263,000. British South Africa came next at \$1,700,000 compared with \$1,841,000 and British West Indies \$1,180,000 compared with \$964,000.

Other leading purchasers were as follows, with figures for January, 1939 in brackets: Ireland, \$921,000 (\$204,000); New Zealand, \$697,000 (\$2,075,000); British India with Burma, \$640,000 (\$590,000); Straits Settlements, \$613,000 (\$254,000); Newfoundland, \$550,000 (\$483,000); Norway, \$508,000 (\$425,000); Brazil, \$434,000 (\$192,000); Belgium, \$329,000 (\$820,000); Mexico, \$238,000 (\$250,000); Argentina, \$275,000 (\$120,000); China, \$239,000 (\$400,000); Cuba, \$226,000 (\$245,000); Netherlands, \$206,000 (\$739,000).

Complexion of January Exports

The sharp increase in domestic exports, excluding gold, from \$70,083,000 in January, 1939, to \$90,100,000 in January, 1940, showed strikingly the influence of war conditions. Meats advanced from \$3,118,000 to \$6,995,000, cheese from \$189,000 to \$357,000, unmanufactured leather from \$621,000 to \$929,000, and fish from \$2,537,000 to \$2,865,000, but furs, raw hides and beef cattle on the hoof declined considerably.

In other foods, wheat jumped from \$4,646,000 to \$9,250,000, and wheat flour from \$1,172,000 to \$2,612,000. In fact, the export of all grains, at \$10,179,000, were nearly doubled. All the purchases showed up a strong demand in the United Kingdom for food. Incidentally, the export of whiskey, which goes mainly to the United States, declined slightly.

The export of rubber goods, chiefly tires and footwear, increased, and there again there was heavy buying by the United Kingdom, which received about half of the total export. While the purchase of automobiles declined considerably, that of farm implements increased, and there also the increase was due to heavier buying by Great Britain. The export of pig iron and ingots, tubes and pipes, and machinery all increased notably. Shipments abroad of non-ferrous metal products showed heavy increases, particularly copper, aluminum, lead and nickel, but the destinations of these were not made public. Asbestos, coal and stone shipments increased.

January Export of Coarse Grains

Export shipments of barley in January totalled 114,011 bushels valued at \$68,671 compared with 1,149,062 at \$500,736 in January, 1939. The export of oats amounted to 1,038,537 bushels valued at \$510,931 compared with 854,265 valued at \$255,377 in January, 1939. Rye exports totalled 40,000 bushels valued at \$29,662, against nil a year ago.

Wheat Stocks in Store

Canadian wheat in store on February 16 totalled 330,024,046 bushels compared with 332,204,607 a week earlier and 151,632,711 on the corresponding date last year. The amount of Canadian wheat in the United States was 31,085,425 bushels in comparison with 32,381,428 a week ago and 4,694,000 a year ago.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces during the week ending February 16 amounted to 1,357,693 bushels compared with 1,298,641 in the previous week and 313,052 in the corresponding week last year. By provinces the receipts were as follows, with those for the same week last year in brackets: Manitoba, 67,684 (33,697) bushels; Saskatchewan, 674,781 (132,455); Alberta, 615,228 (146,900).

Marketings for the twenty-nine weeks ending February 16 aggregated 370,394,761 bushels in comparison with 260,558,969 in the corresponding period last year, totals by provinces being as follows: Manitoba, 50,294,995 (40,714,730) bushels; Saskatchewan, 206,279,700 (103,850,920); Alberta, 113,820,066 (115,993,319).

Overseas Export Clearances of Wheat

Export clearances overseas and imports of Canadian wheat into the United States for consumption and milling in bond during the week ending February 16 totalled 2,953,111 bushels compared with 1,801,663 in the corresponding week last year. The accumulated total for the period from August 1 to February 16 aggregated 83,137,957 bushels compared with 86,719,483 in the corresponding period of the previous crop year.

Areas Seeded to Maize in the Argentine

The first official estimate of the area planted to maize in the Argentine stands at 17,791,200 acres, being an increase of 35.8 per cent over the acreage of last year. There has been some loss of area due to lack of moisture, and the second calculation of the seeded area will indicate the extent of this.

Business Conditions in 1939

The year just ended was a period of distinctive economic developments. The business recovery, interrupted in the preceding year, was continued during 1939. The net result was a new maximum in many lines during the period of observation since the last world war.

Business operations increased in volume following hesitation during the first quarter. An excellent showing was made in the first eight months and the outbreak of war acted as a stimulus for further acceleration. The index of the physical volume of business averaged higher during the last quarter than in any similar period for twenty years. The wheat harvest was heavier than in any other year except 1928. The output of field crops recorded a gain of 18 per cent over 1938, and the estimated farm value rose from \$550 million to \$634 million. Industrial employment was relatively well maintained, the index rising to a particularly high level at the end of the year. The advance in manufactured commodities was 7.5 points to 81.1.

The position of the chartered banks continued strong, deposits reaching a new high level. While current loans recorded an encouraging gain, the surplus of notice deposits indicated the maintenance of a strong liquid position. The price of Dominion bonds after reaching a new maximum in the early part of the year, reacted sharply upon the outbreak of hostilities. Considerable recovery was shown during the last quarter due to the re-establishment of confidence caused partially by the introduction of governmental control. Stock prices were fairly well maintained during the last two years but the standing in December was slightly below that of the same month of the preceding year. The trend was downward during the first eight months, considerable advance being shown shortly after the outbreak of war. In a general way the index of common stocks in the last two years has not departed widely from the standing of the base year. Wholesale prices rallied sharply in the last four months following the intermediate reaction from the first quarter of 1937.

Canada passed through a very eventful year, during which business was influenced by numerous world developments as well as by a number of important domestic factors. It cannot be denied that even in war-time there is a considerable solidarity in the social economy and any spectacular development in one section is quite certain to influence the others. Marked changes are characteristic of a war economy. The turnover in the latter part of the year was effected without undue dislocation and after four months of war we find that the general business of the country was not greatly disturbed and that in the main progress toward improved conditions has been maintained.

In appraising the outlook for the coming year, the new British Commonwealth Air-Training Agreement must be considered. Expenditures are expected to aggregate \$100 million in 1940 and will accrue largely to Canadian business firms, air personnel and workmen. This represents new purchasing power and should help to maintain the present high level of business operations.

Financing of Motor Vehicle Sales

A marked advance was recorded in the financing of new and used motor vehicle sales in the first month of 1940 when 7,921 transactions involving \$3,561,175 were shown as compared with 6,535 involving \$2,809,513 in the same month last year.

January Automobile Production

January motor vehicle production numbered 17,213 units compared with 16,978 in December and 14,794 in January, 1939. The January total included 12,579 passenger cars and 4,634 trucks, of which 10,439 passenger cars and 3,092 trucks were made for sale in Canada.

The January production of 17,213 units was lower than in the same month of 1938, which had 17,624 units, and January 1937 which had 19,583.

Traffic on Railways in November

Revenue freight carried by Canadian railways during November amounted to 9,278,527 tons compared with 7,147,713 in November, 1938. The main groups of freight were as follows, with figures for November, 1938, in brackets: agricultural products, 2,772,298 (2,026,399) tons; animal, 221,638 (214,970); mine, 3,274,297 (2,544,762); forest, 858,678 (649,588); manufactures and miscellaneous, 2,151,616 (1,711,994).

Canada's Tourist Trade in 1939

A preliminary estimate places the total expenditures of travellers from other countries in Canada in 1939 at approximately \$275,000,000 and the total expenditures of Canadian travellers in other countries at approximately \$110,000,000. Corresponding estimates for 1938 were \$283,000,000 and \$121,000,000. The favourable balance to Canada on tourist trade account in 1939 is provisionally estimated at \$165,000,000 as compared with \$162,000,000 in 1938.

Practically all forms of tourist travel were adversely affected by the outbreak of war but in many cases the declines were not sufficient to cancel previous advances. Lower expenditures by certain classes of travellers were partially offset by higher expenditures by other groups. Hence, for the year as a whole, there was no sharp drop in tourist expenditures.

The depressing effect of the war was particularly noticeable in the case of motor travel between the United States and Canada. Touring automobiles entering Canada on 60-day permits which, as compared with 1938, had increased by 2.5 per cent to the end of August, declined by 5.2 per cent in the later months. Cars on 48-hour permits fell 2.8 per cent to the end of August and 8.2 per cent during the balance of the year. Toward the year's end the declining tendency was checked somewhat.

For the year as a whole the total number of automobiles entering Canada from the United States for touring purposes was 4,212,816 compared with 4,346,445, a decline of three per cent. Those entering for a period of 48 hours or less declined to 2,943,159 from 3,081,559 in 1938, while those on 60-day permits increased to 1,267,851 from 1,263,509 and those on six-month permits rose to 1,806 from 1,577.

Expenditures of motor tourists from the United States totalled \$165,000,000 compared with \$178,000,000 in 1938. Those entering Canada by rail spent \$56,000,000 compared with \$55,000,000, by boat \$15,000,000 which was practically the same as in 1938, other persons travelling by bus, ferry, aeroplane or as pedestrians \$21,000,000 compared with \$20,000,000.

Estimated expenditures in Canada of tourists from overseas countries in 1939 were \$13,000,000 as compared with \$15,000,000 in 1938. Canadian travel to overseas countries declined sharply in 1939, expenditures involved being estimated at \$15,000,000 compared with \$20,000,000 in 1938.

Stocks of Raw Hides and Skins

Stocks of raw cattle hides held by tanners, packing plants, dealers and domestic hides and skins in transit at the end of December, 1939, amounted to 703,956 hides compared with 661,310 hides at the end of the preceding month. There were 593,647 calf and kip skins on hand on December 31 compared with 676,836 on November 30. Stocks of sheep and lamb skins amounted to 77,726 dozen at the end of December; goat and kid skins numbered 74,969 units and horse hides, 28,426.

Stocks of Unmanufactured Tobacco

Stocks of unmanufactured tobacco on December 31 totalled 72,638,707 standard pounds, of which 66,566,291 were Canadian grown. The amount was somewhat less than in December, 1938, but considerably more than in the same month of any other previous years.

Department Store Sales in January

Department store sales in Canada gained 18 per cent in January over the corresponding month of 1939, unadjusted indexes on the base 1930 equals 100 being 64.0 as compared with 54.2. Indexes, adjusted for number of business days and for normal seasonal variations, stand at 85.7 in comparison with 75.2 in January, 1939.

Shipments of Rigid Insulating Board

Domestic shipments of rigid insulating board in January totalled 4,949,000 square feet compared with 2,854,000 in the same month of 1939. During the year 1939 shipments amounted to 51,645,000 square feet compared with 48,611,000 in 1938 and 52,486,000 in 1937.

Machine Shops Industry

The gross selling value of products of 391 machine shops in Canada occupied chiefly or solely in custom repair work was valued in 1938 at \$3,970,942. In 1937 there were 323 shops included in this category with a production valued at \$3,016,480.

Statistics of Crime in 1938

Returns of criminal court proceedings for the year ending September 30, 1938, show that 465,662 cases of adult offenders were handled by the courts compared with 464,180 cases during the previous twelve months. The 1938 figures show 50,998 indictable and 414,664 non-indictable cases compared with 43,968 indictable and 420,212 non-indictable cases in 1937.

Of the indictable cases in 1938, 43,500 were convictions, a marked increase over the 1937 total of 37,148. The number of males convicted in 1938 was 39,423 and females 4,176 compared with 33,365 males and 3,783 females in 1937. Increases in the total number convicted occurred in all provinces, with the exception of Saskatchewan and the "Territories."

The number of juveniles brought before the courts showed a marked decline from 1937, the total being 8,929 compared with 9,675 in 1937, a decline of 746 cases or 7.71 per cent. Out of the 5,055 juvenile delinquents convicted of major offences, 4,837 were born in Canada and 218 in other countries.

Reports Issued During the Week

1. Statistics of Criminal and Other Offences, 1938 (50 cents).
 2. Financing of Motor Vehicle Sales, January (10 cents).
 3. The Grain Situation in Argentina (10 cents).
 4. Planing Mills and Sash and Door Factories, 1938 (20 cents).
 5. The Charcoal Industry, 1938 (10 cents).
 6. Canada's Tourist Trade, 1939 (10 cents).
 7. Domestic Exports to Principal Countries, January (10 cents).
 8. The Furniture Industry, 1938 (15 cents).
 9. Department Store Sales, January (10 cents).
 10. Traffic Report of Railways, November (10 cents).
 11. Car Loadings on Canadian Railways (10 cents).
 12. Summary of Canada's Domestic Exports, January (10 cents).
 13. Stocks and Consumption of Unmanufactured Tobacco, December 31 (10 cents).
 14. Monthly Report of Automobile Production, January (10 cents).
 15. Shipments of Rigid Insulating Board, January (10 cents).
 16. Sales of Asphalt Roofing, January (10 cents).
 17. Production of Asphalt Roofing, January (10 cents).
 18. Business Conditions, 1939 (25 cents).
 19. Summary of Exports of Canadian Grains and Flour, January (10 cents).
 20. Special Report on Machine Shops, 1938 (25 cents).
 21. Summary of Canada's Trade, December (10 cents).
 22. Stocks of Raw Hides and Skins, December 31, 1939 (10 cents).
 23. Bank Debits to Individual Accounts, 1939 (10 cents).
 24. Jewellery and Silverware Industry, 1938 (15 cents).
 25. Men's Factory Clothing Industry, 1938 (25 cents).
 26. Production of Concentrated Milk, January (10 cents).
 27. Canadian Grain Statistics (10 cents).
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