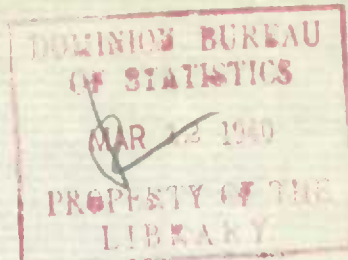


WEEKLY BULLETIN

Dominion Bureau of Statistics
Department of Trade and Commerce



Vol. IX - No. 9

Ottawa, Saturday, March 2, 1940

Price \$1.50 per annum

Weekly Index

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 recorded a gain of 52,700 cars during the first seven weeks of the year. The total was 330,700 cars compared with nearly 278,000. The traffic in livestock recorded a recession of 657 cars, while the ten other commodity groups showed increases over the first seven weeks of 1939. Carloadings showed decline in the seventh week of the year, the index dropping from 84.9 to 77.0.

The trend of wholesale prices was strong in the week of February 23rd, the index rising from 82.5 to 82.9. The standing was slightly more than 13 p.c. above that of the same date of 1939. Five of the eight main groups recorded increases, while the remainder were unchanged. Advances were shown on the Winnipeg Grain Exchange, No. 1 Northern wheat rising from 83 1/8 to 86 3/8. Coarse grains, except oats, participated in the advance. Livestock prices on the Toronto stockyards were practically maintained. The index of eighteen sensitive commodities showed a minor gain in the week of February 23rd, reflecting a slight gain in foods.

Common stock prices showed recession during the week of February 22nd, the index receding from 99.9 to 98.7. The standing in the same week of 1939 was 104.1, a decline of 5.2 p.c. being indicated. High-grade bond prices also showed recession, the issues included in the index having yielded 3.335 against 3.31 for the preceding week. Bid quotations on prominent issues were practically the same on February 27th as on February 20th, the 3's of 1950-55 remaining unchanged at 95 3/8. The adjusted index of bank clearings was 119.7 against 117.4, a gain of 2 p.c. The index of shares traded on the Canadian exchanges showed a marked contraction.

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 107.2 against 109.0, a decline of 1.7 p.c.

Weekly Index with the Six Components
1926=100

Week Ended	Car loadings ¹	Wholesale Prices	Capitalized Bond Yields ²	Bank Clearings ³	Prices of Common Stocks	Shares Traded	Weekly Index ⁴
Feb. 25, 1939	67.6	73.3	149.3	88.3	104.1	80.6	101.8
Feb. 17, 1940	84.9	82.5	137.0	117.4	99.9	106.8	109.0
Feb. 24, 1940	77.0	82.9	135.9	119.7	98.7	69.2	107.2

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.

Retail Prices, Rents and Costs of Services

Reflecting easier prices for foods, partially offset by seasonal advances in coal and coke, the index number of retail prices, rents and costs of services on the base 1926=100 fell from 85.3 in December to 85.1 in January. In the corresponding month last year it was 83.3.

Business Improvement in January

The acceleration in business operations reflected the tangible betterment in economic conditions in Canada during January. The index of the physical volume of business rose from 133.3 in December to 138.6 in the first month of this year. Advances were also recorded in wholesale and high-grade bond prices during the month under review but the advance in the physical volume of business was the most striking economic development.

The index of mineral production rose from 202.4 to 215.6. Advances were shown in copper, lead, zinc, silver and coal. The index of copper exports advanced from 304.5 to 517.4. The gain in nickel exports was less than normal for the season. The output of coal was 1.7 million tons against 1.5 million in December, the index advancing 16 points to 103.7.

The industries producing foodstuffs showed further expansion in January, following the consistent advance of the six preceding months. The flour-milling industry was more active in the latest month for which statistics are available. Inspected slaughterings indicating activity in the meat-packing industry were practically maintained. Slight recessions were shown in dairy production after seasonal adjustment, while a considerable increase was recorded in the exports of canned salmon.

A moderate increase was shown in the consumption of raw cotton, while recession was recorded in the imports of cotton yarn and wool for further manufacture. The forestry industry recorded marked acceleration, each of the four factors used in this connection showing gains. The primary iron and steel industry showed further betterment in January, increases being recorded in the output of both steel ingots and pig iron. Automobile production was 17,250 units against 16,978. A gain was recorded in coke production. The imports of crude petroleum were nearly maintained, while a considerable advance was shown in the inward shipments of crude rubber. The net result was that the manufacturing index rose about 10 points to 146.8.

The construction industry was less successful in obtaining new business. The index of electric power production rose from 239 to 243.4. A fractional gain was shown in the index of distribution based on carloadings, trade employment, imports and exports. The index of carloadings rose from 82.6 to 86.7. The recession in imports was less than normal for the season, the index advancing from 108 to 109.7. The index of exports rose about seven points to 130.5. Trade employment showed recession from the high level of the preceding month, the adjusted index having been 139.3 against 141.8.

Business Indexes in January compared with December - 1926=100

INDEX	January, 1940	December, 1939
Physical Volume of Business	138.6	133.3
Industrial Production	145.2	138.2
Mineral Production	215.6	202.4
Copper exports	517.4	304.5
Nickel exports	372.1	450.3
Zinc exports	268.2	209.6
Gold, mint receipts	319.1	343.6
Silver shipments	99.3	88.0
Asbestos exports	131.3	139.0
Bauxite imports	164.3	446.6
Coal production	103.7	87.7
Manufacturing	146.8	136.9
Foodstuffs	135.8	127.1
Flour production	-	124.2
Oatmeal production	-	285.9
Sugar manufactured	116.2	139.5
Inspected slaughterings	151.2	152.8
Cattle	138.9	141.6
Sheep	160.8	135.4
Hogs	158.7	161.9

Business Indexes in January compared with December - 1926=100

INDEX	January, 1940	December, 1939
Creamery butter	157.3	160.8
Factory cheese	121.2	123.8
Salmon exports	146.9	119.9
Tobacco	236.5	187.0
Cigar releases	104.0	108.1
Cigarette releases	297.2	226.7
Rubber imports	364.9	204.5
Boots and shoes production	-	183.3
Textiles	167.0	173.7
Cotton consumption	174.9	171.4
Cotton yarn imports	124.2	129.2
Wool imports	146.2	202.3
Forestry	142.4	127.6
Newsprint	168.1	158.7
Wood pulp exports	116.6	113.5
Planks and boards exports	119.3	99.2
Shingles exported	107.4	26.3
Iron and steel	122.1	120.7
Steel production	238.6	235.7
Pig iron production	155.3	146.2
Iron and steel imports	112.0	133.4
Automobile production	90.9	85.7
Coke production	148.4	142.0
Crude petroleum imports	195.2	209.3
Construction	52.1	61.7
Contracts awarded	53.0	64.6
Building permits	50.0	54.5
Cost of construction	96.0	96.2
Electric power	243.4	239.2
Distribution	119.7	119.1
Trade employment	139.3	141.8
Carloadings	86.7	82.6
Imports	109.7	108.1
Exports, excluding gold	130.5	123.7
Producers' Goods	124.1	120.4
Consumers' Goods	136.8	138.9
Marketings -		
Grain and Live Stock Marketings	101.3	101.3
Grain Marketings	105.7	107.1
Wheat	106.1	110.6
Oats	222.8	62.7
Barley	58.8	70.0
Flax	11.8	61.3
Rye	177.6	255.3
Live Stock Marketings	81.9	75.2
Cattle	80.4	69.2
Calves	139.8	125.4
Hogs	76.0	78.4
Sheep	82.9	76.4
Cold Storage Holdings	168.9	148.8
Eggs	116.0	91.3
Butter	279.1	247.0
Cheese	122.1	111.3
Beef	181.6	167.7
Pork	142.6	174.3
Mutton	125.6	122.6
Poultry	223.4	248.1
Lard	116.4	111.3
Veal	293.9	285.7

World Wheat Situation

Despite the unprecedented world supplies of wheat this season, the distribution of unsold surpluses among the exporting countries is such that during the next several months Australia alone is likely to come into serious export competition with Canada. This is in contrast with the more usual situation in which Argentina, the United States, the Danube Basin, and intermittently Russia and India are competing for export markets as well.

The second estimate of the Argentine crop at 118 million bushels indicates the smallest wheat production in that country since 1917. Were it not for a substantial carry-over from the previous year's crop, the Argentine export surplus would be negligible. As it is, the export surplus for the calendar year 1940 is now placed at 85.5 million bushels, of which 19.5 millions have already been shipped out. This leaves a balance of 66 millions for export between now and the end of December. Brazil may require half of this balance, leaving 33 million bushels for Europe. Altogether the Argentine position is similar to that of 1936 when a larger December 1935 crop, but considerably smaller carry-over, left export supplies for the season amounting to 65 million bushels. It will be recalled that during 1936, Argentina was virtually outside export calculations.

Apart from Argentina, as is well known, the United States, while possessing a surplus in excess of normal domestic and carry-over requirements, is withholding it from export pending the outcome of the winter wheat crop which made such a poor start. This is with the exception of exports being made from the Pacific north-west where the regional situation warrants continued export sales. Exports in volume from the United States are not likely to be resumed until, (and then, only if) an adequate 1940 harvest is assured.

The Danubian countries commenced the 1939-40 season with a considerable export surplus, but export sales and agreements to date are understood to have virtually exhausted these surpluses, so that little new business is looked for between now and late summer. Russia continues to make no export offers, thereby tending to confirm the private reports of a short harvest last summer in the spring wheat area. While the French North African countries had a large surplus from the 1939 crop, this is understood to have been taken up by the French government.

Weather conditions are reported as ideal for the new wheat crop in India which will be harvested in March. Although the first estimate of the area sown to wheat in India showed a reduction of more than 2 million acres from last year's area, this estimate may be revised upward. At this time it appears that India may have wheat to spare for export, although in that country wheat exports are more related to prices than to the actual size of the crop. In the ensuing months, high freight rates, which would be reflected in Indian f.o.b. prices, may serve as a deterrent to export sales from that country.

The new Australian estimate at 210.4 million bushels raises the export surplus of that country to 153 million bushels, after allowing for a minimum year-end carry-over. While 63 million bushels of the surplus have been contracted for by the British government, there still remains a balance of 90 million bushels from which little has been sold to date. At the present time, there is little business doing with Chinese ports, where Australia has previously found a good outlet for flour. Consequently the Australian export surplus constitutes the principal supply coming into competition with Canadian export supplies over a period of the next several months.

Remaining supplies of Canadian wheat at February 1, available for export or carry-over in Canada amounted to 333 million bushels, whereas initial stocks available for export or carry-over during the present crop year amounted to 456.6 million bushels. The altered supply situation in other normally exporting countries is enhancing prospects for disposal of the Canadian surplus, and in this connection the news just at hand that the British Ministry of Food has advised millers to use in their mix a proportion of 60 per cent "Manitobas" is pertinent.

Wheat Stocks in Store

Canadian wheat in store on February 23 amounted to 325,767,681 bushels compared with 330,024,046 a week ago and 148,787,720 on the corresponding date last year. The amount of Canadian wheat in store in the United States was 29,418,425 bushels compared with 31,085,425 in the previous week and 3,971,000 a year ago.

Export Clearances of Wheat

Export clearances overseas and imports of Canadian wheat into the United States for consumption and milling in bond amounted to 3,043,328 bushels during the week ending February 23 as compared with 1,696,175 in the corresponding week last year. The accumulated total for the period August 1 to February 23 was 86,181,285 bushels compared with 88,415,658 a year ago.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces during the week ending February 23 amounted to 1,340,798 bushels compared with 1,414,251 in the previous week and 581,247 in the corresponding week last year. The totals follow by provinces, with 1939 figures in brackets: Manitoba, 67,248 (46,562) bushels; Saskatchewan, 609,557 (175,277); Alberta, 663,993 (359,408).

Marketings in the three provinces for the thirty weeks ended February 23 aggregated 371,792,117 bushels compared with 261,140,216 in the corresponding period last year, the totals being as follows by provinces: Manitoba, 50,380,598 (40,761,292) bushels; Saskatchewan, 206,906,239 (104,026,197); Alberta, 114,505,280 (116,352,727).

Production of Wool in 1939

Total wool production in Canada in 1939 was 17,888,000 pounds as compared with 17,695,000 in 1938. Shorn wool production totalled 13,611,000 pounds, being 225,000 pounds greater than in 1938 due to increased yields per fleece. Production of pulled wool amounted to 4,277,000 pounds compared with 4,309,000. Cash income from the 1939 wool clip was estimated at \$1,416,000 compared with \$1,309,000 in 1938. Consumption of wool in Canada during 1939 was 32,300,000 pounds as compared with 29,000,000 in 1938.

External Trade in January

An increase of more than \$47,405,000 was recorded in the value of Canada's external trade in January when the total was \$161,957,982 compared with \$114,552,537 in January, 1939. These figures do not include gold.

Both imports and exports moved sharply higher during the month, the former totalling \$71,104,145 compared with \$43,742,684 in January, 1939, and the latter \$90,100,133 compared with \$70,082,752. Foreign exports were worth \$753,704 compared with \$727,101.

The balance of trade in January was favourable to Canada to the extent of \$19,749,692 compared with \$27,067,169 a year ago. The amount of duty collected during the month was \$9,691,945 compared with \$6,182,925 in January, 1939.

Canada's Imports in January

Canada's imports in January at \$71,104,000 were a 62.5 per cent increase over the \$43,743,000 in January, 1939. Imports from Empire countries were \$16,664,000 compared with \$11,011,000, an increase of 51.3 per cent, and the imports from Foreign countries were \$54,440,000 compared with \$32,732,000, a gain of 66.3 per cent. Imports from the United Kingdom amounted to \$9,941,000 as against \$7,117,000, the increase being 39.7 per cent, while from the United States they amounted to the large total of \$48,576,000 as against \$28,784,000, the increase being 68.8 per cent.

Imports from other countries were as follows, with the figures of a year ago in brackets: British South Africa, \$109,000 (\$49,000); India, \$949,000 (\$658,000); Ceylon, \$304,000 (\$247,000); Straits Settlements, \$2,586,000 (\$1,013,000); British Guiana, \$949,000 (\$223,000); British West Indies, \$199,000 (\$227,000); Newfoundland, \$171,000 (\$49,000); Australia, \$445,000 (\$521,000); Fiji, \$339,000 (\$78,000); New Zealand, \$333,000 (\$453,000);

Ireland (Eire), \$45,000 (\$5,000); Argentina, \$611,000 (\$266,000); Belgium, \$696,000 (\$487,000); Brazil, \$272,000 (\$43,000); China, \$439,000 (\$181,000); Denmark, \$35,000 (\$12,000); Egypt, \$230,000 (\$10,000); Finland, \$4,000 (\$9,000); France, \$558,000 (\$320,000); Germany, \$38,000 (\$622,000); Italy, \$156,000 (\$131,000); Japan, \$538,000 (\$384,000); Netherlands, \$211,000 (\$137,000); Netherlands East Indies, \$148,000 (\$97,000); Norway, \$58,000 (\$34,000); Russia, nil (\$30,000); Sweden, \$260,000 (\$149,000); Switzerland, \$419,000 (\$187,000); Turkey, \$23,000 (\$11,000).

January Exports of Meat

January exports of Canadian bacon and hams to the United Kingdom were considerably more than double those of a year ago, the total being 356,264 cwt. valued at \$6,227,245 compared with 157,385 at \$2,633,892. Twelve other countries took a total of 872 cwt. in January, making up the balance of the export. The value of all meats exported in January was \$6,995,316 compared with \$5,409,544 in December and \$3,118,182 in January, 1939. The value of the export to the United Kingdom was \$6,806,641.

Exports of Planks and Boards

Canada's export of planks and boards was higher in January, amounting to 167,527,000 feet valued at \$4,179,467 compared with 150,312,000 at \$3,976,246 in December and 156,211,000 at \$3,248,707 in January, 1939. Purchases by the United Kingdom were a feature, totalling 87,903,000 feet, the United States being next in order with 39,272,000.

Leading varieties exported in January were as follows, with 1939 totals in brackets: Douglas fir, 98,939,000 (83,206,000) feet; spruce, 27,817,000 (26,337,000); hemlock, 21,759,000 (27,128,000); pine, 7,546,000 (6,225,000); cedar, 5,884,000 (5,641,000); birch, 4,164,000 (6,433,000).

Exports of Cheese

Canadian cheese was exported in January to the value of \$357,399 compared with \$524,154 in December and \$188,381 in January, 1939. Purchases by the United Kingdom aggregated \$299,800.

Exported Newsprint Paper

January exports of newsprint paper totalled 4,515,036 cwt. of the value of \$9,781,083 compared with 5,105,174 at \$11,245,295 in December and 3,872,489 at \$8,290,258 in January, 1939. The United States took 3,526,610 cwt., Australia 603,716, Argentina 83,811, British South Africa 76,035, New Zealand 41,956, Chile 23,497, Mexico 23,321, Brazil 19,718 and British India 15,083.

Exports of Canadian Cattle

There were 9,665 head of Canadian cattle exported in January to the value of \$512,197, of which the United States took 9,592 at \$508,567. In December the number exported was 5,403 at \$271,042 and in January 1939, 32,508 head at \$1,950,446.

Births, Deaths and Marriages

An increase in January of 48 per cent was recorded in the number of marriages registered in 67 cities and towns of Canada having 10,000 population and over, the total being 3,547 as compared with 2,396 in January, 1939. During the first five war months 28,814 marriages were registered in these cities as compared with 18,331 in the comparable period a year ago.

Births registered in January in the 67 cities and towns numbered 7,146 and deaths 4,828 as compared with 7,113 births and 4,611 deaths in January, 1939, showing increases of one-half per cent in births and five per cent in deaths.

February Employment Situation

Although industrial employment in Canada at February 1 showed contraction from January 1 it was at the highest point at that date in any of the 20 years for which statistics are available; the decline from January 1 is in accordance with the movement indicated at midwinter in 1938 and 1939. Returns from 11,857 employers whose staffs included 1,117,761 men and women at February 1 compared with 1,135,619 at January 1. On the basis of a comparison of the index numbers for February 1 in 1939 and 1940, it may be estimated that the co-operating firms employed over 77,000 more persons at the latest date than on February 1, 1939. The unadjusted index for February 1 this year stood at 114.4 compared with 116.2 on January 1 and 106.5 on February 1, 1939.

There was seasonal improvement in manufacturing, in which the co-operating establishments reported an increase of 11,676 workers, or 1.9 per cent as compared with January 1. This gain rather exceeded the increase noted at February 1 in 1939 or 1938, but was smaller than the average advance indicated at the beginning of February in the years since 1920. In this respect, the latest increase was like the year-end losses from which it mainly represents recovery, and the number of workers reinstated constituted nearly 57 per cent of the number laid off at January 1; this proportion compared favourably with that of just under 49 per cent recorded, on the average, at February 1 in the preceding nineteen years. The greatest gains at the date under review were in iron and steel, textile, leather, lumber and tobacco factories.

Among the non-manufacturing industries, mining, steam railway operation and construction and maintenance reported heightened activity, while the movement was unfavourable in other groups. There were large losses in trade and construction; those in the latter, which took place mainly in road work, exceeded the average contraction at midwinter in the years since 1920. Logging, shipping and stevedoring, communications and services also reported considerable reductions in personnel.

Activity in all provinces was greater than at February 1 last year, and in the Maritime Provinces, Quebec, Ontario and British Columbia, employment was also at a higher level than in any other February for which records are available; in the Prairie area, the February index was the highest for that date in the years since 1931. In comparison with January, contractions were generally recorded except in Prince Edward Island, New Brunswick and British Columbia, the losses in Quebec being most pronounced.

Output of Central Electric Stations

The January output of central electric stations amounted to 2,526,143,000 kilowatt hours compared with 2,386,979,000 in January, 1939. Consumption of firm power reached a new high at 1,853,157,000 kilowatt hours and compares with 1,644,983,000 a year ago. Deliveries of secondary power to electric boilers declined to 523,936,000 kilowatt hours from 575,082,000. Exports to the United States dropped to 149,050,000 kilowatt hours from 166,915,000 in the same month last year.

Building Permits for January

The value of building permits issued by 179 municipalities out of 201 in Canada during January was \$3,303,212, with \$2,313,868 representing new construction, while repairs, alterations and additions account for \$989,344. Residential permits were valued at \$1,424,532, institutional \$432,797, commercial \$719,368, and industrial \$645,547.

Permits issued by 54 of the 58 municipalities which formerly comprised this report were valued at \$2,391,300, while the total for the 35 municipalities was \$2,196,975. Corresponding values for December, 1939, were \$6,035,212 and \$5,399,870, respectively.

Bank Debits in January

Reflecting expansion in business operations and an advance in commodity prices, the amount of cheques cashed, or bank debits, showed a marked gain in January to \$2,674,334,955 from \$2,511,811,724 in January, 1939. The totals follow by economic areas, with 1939 figures in brackets: Maritime Provinces, \$63,561,032 (\$50,857,079); Quebec, \$808,906,219 (\$799,466,634); Ontario, \$1,135,585,590 (\$1,161,528,829); Prairie Provinces, \$493,748,304 (\$322,491,502); British Columbia, \$172,533,810 (\$177,537,680).

Reports Issued During the Week

1. Imports by Principal Countries, January (10 cents).
 2. Trade with Empire Countries, January (10 cents).
 3. Bank Debits to Individual Accounts, January (10 cents).
 4. Wool Production, 1939 (10 cents).
 5. Weekly Index Numbers of Wholesale Prices (10 cents).
 6. Registrations of Births, Deaths and Marriages, January (10 cents).
 7. Prices and Price Indexes, January (10 cents).
 8. Values of Farm Lands, Live Stock and Poultry; Wages of Farm Help (10 cents).
 9. Car Loadings (10 cents).
 10. Monthly Review of the Wheat Situation (10 cents).
 11. Exports of Meats, Lard and Sausage Casings, January (10 cents).
 12. Exports of Living Animals, January (10 cents).
 13. Exports of Lumber, January (10 cents).
 14. Exports of Milk, Milk Products and Eggs, January (10 cents).
 15. Exports of Pulp Wood, Wood Pulp and Paper, January (10 cents).
 16. Security Prices and Foreign Exchange (10 cents).
 17. Canadian Grain Statistics (10 cents).
 18. February Employment Situation (10 cents).
 19. Building Permits, January (10 cents).
 20. Output of Central Electric Stations, January (10 cents).
 21. Trade of Canada, January (10 cents).
-

STATISTICS CANADA LIBRARY
BIBLIOTHÈQUE STATISTIQUE CANADA



1010729938