WEEKLY BULLETIN

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Department of Trade and Commerce

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Economic Index rose 1½ p.c. over the Preceding Week But was only Fractionally above the Same Week of 1936

Despite an appreciable decline in wholesale prices, the economic index recorded an increase of 1½ p.c. moving up from 110.1 in the preceding week to 111.7. The strong features of the week were carloadings and bank clearings while the moderate advance in common stock prices continued. Bond prices were firm, the bid quotation for several issues recording an advance.

The considerable gains over the same week of 1936 in four out of the six major factors counterbalanced the decline in the other two. The expansion in business activity was indicated by an increase of nearly 11 p.c. in carloadings. Commodity and common stock prices also showed marked gains over last year, the index advancing 12.7 p.c. and 18.4 p.c. respectively. The adjusted index of bank clearings was nearly ½ p.c. greater, while speculative trading showed considerable decline from the levels of last year. The net result was that the economic index rose from 111.5 in the week of August 8 last year to 111.7 in the week under review.

The railway freight movement continued heavy especially in the Eastern division, a lead having been shown by the index of carloadings in all weeks to date over the same period of 1936. The total movement in the 30 weeks was 1,436,000 cars against 1,307,000 in the same period of last year. The deficit in grain was nearly 41,000 cars but marked gains in other commodity classes, except coal and coke, overshadowed that decline.

Owing mainly to the reaction in grain prices, the commodity price level receded considerably in the week under review. The index of crop products slid off from 92.0 to 88.7. Gains were recorded in animal products, non-ferrous metals and chemicals, while the other main groups were unchanged. Grain prices in the last two months have been subject to wide fluctuation, the highest level having been reached in the week of July 17 when No. 1 Northern wheat averaged 150 7/8. In the first week of August the price was 132 7/8 compared with 139¼ in the preceding week. Coarse grains also recorded substantial declines. Live stock prices strengthened on the Toronto stockyards, medium steers moving up from 7.42 to 7.58 and bacon hogs from 10.52 to 10.84.

Metal prices were strong on the New York exchange advances having been shown in tin, lead and zinc. Lead moved up from 6.00 to 6.50 and zinc from 7.00 to 7.25. The price of electrolytic copper was maintained at 14 cents. Metal prices were notably strong on the London metal exchange, electrolytic copper having been £65 10s on August 11, against £64 15s on August 4. Lead was £22 15s against £22 13s 9d, while zinc advanced from £23 3s 9d to £24 10s. The export price of electrolytic copper in New York was 14.72 cents against 14.62½ on August 4. The price of lead at Montreal was 6.10 cents against 5.70 and zinc 5.75 against 5.80 cents. Base metals in Canada attracted more attention and with rising prices in copper, lead, tin and zinc, raising the index for non-ferrous metals from 85.6 to 87.2.

Bids firmed on the slightly better demand in the high-grade section of the bond market and the index of capitalized yields was practically maintained. Dominion bonds have been remarkably steady for 10 weeks. During the corresponding period of last year a rapid advance took place with the result that the capitalized yield index was in the week under review 7.4 p.c. below that of the same week of last year. On August 11, the 4½'s of 1947-57 were bid at 109 5/8 against 109¼ on August 4. The 3's of 1950-55 advanced from 96½ to 96¾. The 4½'s of 1946 moved up from 109¾ to 110, and the 4's of 1947-52 were 106 3/8 against 106¼.

The advance in common stock prices continued in the week under review, the index moving up from 134.7 to 135.7, representing a gain of 0.7 p.c. The rally on the stock markets commenced about the middle of July and has been fairly continuous. At this period last year the market was undergoing a process of consolidation and the advance did not materialize until the early weeks of September. The lead of the index of common stocks over the same period of last year has consequently widened in recent weeks. The gap in the week under review amounted to 18.4 p.c., the standing in the same week of last year having been 114.6.

Utilities were strong in the week under review, the three classes recording increases. The index for 19 utilities advanced from 64.8 to 66.2. The increase in industrials was limited to machinery and equipment, oils and industrial mines, minor declines having been shown in other groups.

Weekly Economic Index with the Six Components
1926=100

Week Ended	Car loadings1	Wholesale Prices	Inverted Index of Bond Yields2	Bank Clearings3	Prices of Common Stocks	Shares Traded	Economic Index4
Aug. 8, 1936	75.36	76.3	156.9	99.0	114.6	200.6	111.5
July 31, 1937	81.77	86.7	145.5	90.0	134.7	110.0	110.1
Aug. 7, 1937	83.62	86.0	145.3	99.4	135.7	84.0	111.7

1. The index of carloadings is projected forward one week to correspond with the practice computing the economic 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 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.

Stocks of Grain in Canada

The total stocks of wheat in Canada at July 31, 1937, were 32,739,852 bushels, the lowest since 1925 when 27,713,810 bushels were reported. Compared with last year's revised figure of 108,094,277 bushels, the carry-over shows a reduction of 75,354,425 bushels. The largest carry-over of wheat in Canada was 211,740,188 bushels on July 31, 1933.

The farm stocks of wheat are estimated at 3,999,300 bushels, of which 3,392,000 bushels were in the Prairie Provinces. The carry-over on farms this year is the lowest since 1926.

In addition to the stocks in Canada on July 31, there were 4,110,848 bushels of Canadian wheat held in the United States. Last year on the same date there were 19,268,321 bushels of Canadian wheat in store in the United States, but much of this amount was already purchased by mills for local consumption at the time. This year the stocks in store are for milling in bond or for in transit shipment only.

The total amount of Canadian wheat in Canada and the United States at July 31, was 36,850,700 bushels compared with 127,362,598 and 213,852,118 bushels, the revised totals for July 31, 1936 and 1935.

Large reductions are shown in the carry-over figures of oats, barley and rye from those of a year ago, while an increased quantity of flaxseed is noted over the same date in 1936. Stocks were as follows, with 1936 figures in brackets: Oats, 40,304,697 (18,278,808) bushels; barley, 9,827,631 (4,363,235); flaxseed, 269,287 (464,967); rye, 3,194,369 (409,702).

Imported Rubber

Due in large part to the heavy increase in the imports of raw rubber to 8,488,643 pounds valued at $1,812,491 in June from 4,574,180 pounds worth $718,079 in June, 1936, the total imports of rubber jumped to $2,186,118 from $973,140 in June, 1936. Raw rubber imports from the Straits Settlements amounted to 5,854,819 pounds, from Ceylon 1,476,159, the United States 1,057,685, Dutch East Indies 89,520 and the United Kingdom 10,460.

Hides and Skins

Hides and skins were imported to the value of $646,319 during June as compared with $358,412 in June, 1936. The United States was the chief source of supply with a value of $180,016, followed by the Argentine with $157,326, New Zealand $137,016 and Australia $121,392. Cattle skins amounted in value to $467,127 as compared with $193,922 and sheep skins $99,969 compared with $38,387. Domestic exports of hides and skins amounted to 20,581 cwt. worth $239,273 compared with 26,765 at $211,554, of which 16,597 cwt. worth $189,358 went to the United States. Cattle hides and skins were worth $151,169 compared with $182,290, and sheep hides and skins $33,821 compared with $15,154.

June Imports

Imports during June increased $18,070,552 as compared with June, 1936, amounting to $75,668,684 as compared with $57,598,132. The amount from Foreign Countries was up $11,930,400, the total being $52,096,477 compared with $40,166,017; the amount from countries of the British Empire showed a gain of $6,140,092, or to $23,572,207 from $17,432,115. The value of goods brought from the United States was $45,621,215, showing an increase of $11,626,365; imports from the United Kingdom were $2,328,592 higher at $13,392,253.

Other leading sources of supply were as follows, with figures for June, 1936, in brackets: Australia, $1,947,949 ($699,578); Straits Settlements, $1,705,172 ($734,250); New Zealand, $1,398,331 ($519,786); British India, $979,183 ($803,596); Jamaica, $911,304 ($547,630); Germany, $819,608 ($933,005); Ceylon, $756,888 ($272,035); Belgium, $662,973 ($499,786); Barbados, $618,712 ($425,923); France, $550,955 ($520,189); Peru, $545,013 ($478,265); Colombia, $542,341 ($708,176); Japan, $525,678 ($335,136); British East Africa, $340,048 ($42,964); Argentina, $312,461 ($251,586).

Gains in all main commodity groups were recorded during June as compared with the same month last year. The feature of the month was in the Iron and Products group, showing gain to $20,627,000 from $12,806,000. Increases in this group were general throughout, machinery increasing to $4,670,000 from $2,492,000; plates and sheets, $3,694,000 ($2,220,000); auto parts, $2,741,000 ($1,998,000); autos, $1,820,000 ($851,000); farm implements, $1,714,000 ($1,085,000); engines and boilers, $968,000 ($791,000).

Agricultural products were worth $14,075,000 compared with $11,356,000. Fruits at $3,592,000 ($2,622,000); raw rubber $2,186,000 ($973,000), sugar $2,137,000 ($2,209,000), and vegetable oils $1,358,000 ($1,523,000) being outstanding. Animal and Animal Products increased to $2,911,000 from $2,049,000, furs and hides being the leading items. Fibres and Textiles were up to $10,742,000 from $7,960,000, raw cotton at $2,009,000 ($968,000), raw wool $1,530,000 ($613,000), flax, hemp and jute at $933,000 ($770,000), contributing materially to the increase. The Wood and Paper group increased to $2,845,000 from $2,214,000. The total of books and printed matter amounted to $1,175,000 compared with $898,000.

Non-ferrous metal products totalled $3,776,000 compared with $2,989,000. Electric apparatus at $1,268,000 ($991,000), aluminium $585,000 ($377,000), and precious metals worth $305,000 ($264,000), leading the group. The total of non-metallic mineral products was $13,497,000 compared with $11,711,000. Coal was slightly lower at $3,142,000 ($3,158,000); crude petroleum, $5,307,000 ($5,024,000); stone products, $1,048,000 ($531,000); clay and products, $822,000 ($634,000); and glass and glassware, $802,000 ($556,000). Chemicals and allied products recorded improvement, totalling $3,184,000 compared with $2,743,000. Gains in drugs and medicines to $314,000 from $257,000, dyeing and tanning materials to $470,000 from $456,000 and soda and compounds to $269,000 from $166,000 being noteworthy.

Wholesale Trade in June

Continued increase in the dollar value of wholesale sales was shown by statements received from approximately 200 wholesale firms for the month of June. The value of wholesale trade for these firms was 12.1 per cent higher than in June, 1936, while sales in the second quarter of 1937 showed an increase of 13.1 per cent over the same period of 1936.

Wholesale sales showed an increase in all parts of Canada. British Columbia continued to show the greatest improvement with an increase of 25.2 per cent, while the Maritime Provinces came second with 14.8 per cent.

Substantial increases were shown in each kind of business. These ranged from 20.3 per cent in the hardware trade to 5.5 per cent in the fruits and vegetables trade. Percentage increases in sales in the other groups were: tobacco and confectionery, 15.1; drugs, 12; groceries, 11.9; automotive equipment, 10.7; clothing, 10.2; dry goods, 9.6, and footwear 7 per cent.

For the three month period, each trade showed an increase over the same period of 1936. The hardware trade showed the greatest increase, 25.5 per cent, while the smallest increase for the quarter, 9 per cent, was shown by the clothing group.

Supply and Demand in the Professions

Nearly three per cent of the young people growing up in Canada today become graduates of a university, - about four per cent of the young men and one-and-one-half per cent of the young women, according to a bulletin prepared by the Dominion Bureau of Statistics. The proportion receiving a degree in Arts or Science is nearly double what it was fifteen years ago, but in several of the professions the increases have not kept pace with the increase in population, and in a few the annual number of graduates has definitely fallen. The population is larger per doctor or clergyman now than it was a generation ago, and is nearly double in some provinces what is is in others; the number of veterinaries has actually fallen while livestock has become much more numerous.

Some of the most rapid increases in professional workers have been in the several branches of engineering. Native-born Canadians have met little more than half of the demand for mining, mechanical or electrical engineers, designers, draughtsmen and architects, and only about two-thirds of the demand for civil engineers, surveyors, chemists, assayers, and metallurgists. Much the greatest outside source of supply has been the British Isles, while the United States has supplied larger numbers than the continent of Europe. In spite of greater liability to unemployment than most other salaried professionals, the earnings of engineers and other applied science workers are higher than for the average professional, whose salary in turn is more than double that of a non-professional worker.

The continent of Europe has contributed its greatest proportions to Canadian professionals among clergymen, artists and musicians, and only in those fields has its contribution exceeded that of the United States. Yet by racial origins music and art are two of the most "English" of the professions in Canada, and theology one of the most "French". Journalism is one of the most "British", in the sense that persons of English, Irish and Scottish origins all occupy a considerably greater share of positions in journalism than in other occupations. Considering all the professions together, persons born in the British Isles occupy more than their share of positions, i.e. considerably higher percentages of the total than in other occupations, while the opposite holds for immigrants from Europe.

In publishing the accumulated annual records of university graduates in Canada for seventeen years, and in summarizing trends in the professions for a still longer period, this bulletin provides data that may be of some value in the general field of vocational guidance. It is not in any sense a finished study; its aim is the less pretentious one of bringing together the most significant of the information in possession of the Dominion Bureau of Statistics concerning the supply of, and the demand for, professional workers. It indicates the extent to which different professions have grown, their rate of pay, the extent to which they have been manned by immigrants, and the rate at which Canadian universities have supplied them in the post-war years. Only data from the universities are published at length, as detailed tabular matter from the census has appeared in earlier bulleting of the Bureau. A directory of professional schools, corresponding to the professions for which statistics are included, is appended.

This bulletin may be had on application to the Dominion Bureau of Statistics at 25 cents per copy.

Milk and Products

The increase in the import of casein during June to $13,208 from $2,507 in the same month of 1936, accounted for most of the increase in the import of milk and products to $32,970 from $19,310. The casein came from New Zealand. The import of cheese was worth $16,562, being slightly higher than last year. Switzerland supplied $5,034 worth of cheese, United States $3,225, Italy $2,011, Denmark $1,433 and Greece $1,149.

Cost of Living

Moderate advances in prices of a few of the more important foods, partially offset by seasonal reductions in coal and coke prices, resulted in an increase in the general cost of living for Canada from 82.7 in June to 83.0 in July. The comparative figure for July, 1936, was 80.4. Retail prices of foods rose from 76.4 to 77.2, due to gains for eggs, creamery butter, onions, and meats. A reduction in the coal sub-group from 82.9 to 82.7, and in that for coke from 86.0 to 85.8, brought about a decline in the fuel index from 84.2 to 83.9. No changes of any consequence were recorded for other budgetary groups. These index numbers are on the 1926 base equalling 100.

Business Conditions during the first Six Months

During the first half of 1937 a greater measure of prosperity was enjoyed in Canada than in any year since 1930. Advances were recorded in most factors regarded as significant in the study of cyclical fluctuations. Productive operations were particularly strong, reaching a new high point since pre-depression years.

There were marked gains in the deposit liabilities and readily available assets of the chartered banks. Due to the relatively low level of current loans, security holdings rose to a new historical maximum. Currrent and call loans, however, recorded gains in the first half of 1937 reversing the trend of the last six years.

The advance in wholesale prices was continued in the first quarter practically restoring pre-depression relationships between prices for manufactured goods and basic materials including farm products. Productive operations as measured by the index of the physical volume of business were about 12 p.c. greater than in the same period of the preceding year. The newsprint, mining and power industries reached new high records, showing marked gains over 1936. The increase in the volume of manufactured goods was nearly 14 p.c. Construction operations increased markedly but remained at a low level comparative to conditions in the last prosperity cycle. The export trade of the Dominion recorded a gain of nearly 24 p.c. over the preceding year, several exceptional causes contributing to this result. One factor was the economic recovery general in most of the principal countries for which information is available. With facilities for the production of minerals and other natural products on a large scale, Canada was in a position to share fully in the revival of international trade. The Dominion recently occupied fourth place among the exporting nations surpassed only by Great Britain, the United States and Germany.

Public interest in security markets increased materially during the first quarter, particularly in the industrial and utility sections. Following the marked rise lasting for about ten months, a reaction occurred in the second quarter. The reaction was of a moderate character relative to the extensive advance from May 1933 to March this year.

Milling in June

The amount of grain ground in Canadian mills during June was as follows, with June, 1936, figures in brackets: wheat, 4,542,258 (5,281,656) bushels; oats, 639,628 (913,460); corn, 274,441 (271,986); barley, 71,977 (70,129); buckwheat, 3,539 (5,336); and mixed grains, 616,808 (905,061).

Wheat Stocks and Movement

Canadian wheat in store for the week ending August 5 decreased 3,262,969 bushels compared with the previous week and 79,775,874 when compared with the corresponding week in 1936. The amount in store was 30,022,312 bushels compared with 33,285,281 for the previous week and 113,061,155 for the week of August 7, 1936. Wheat in rail transit amounted to 401,675 bushels, no comparative figure for 1936 being available; in transit on the lakes totalled 1,589,453 bushels compared with 4,017,184 a year ago. Canadian wheat in the United States amounted to 3,425,420 bushels compared with 4,111,290 a week ago and 18,412,316 last year.

Wheat marketings in the Prairie Provinces for the week ending July 30 amounted to 578,820 bushels compared with 704,700 in the previous week and 901,019 during the corresponding week last year. Total marketings to July 30 were 165,562,602 bushels compared with 216,273,373 a year ago.

Overseas export clearances of wheat during the week ending August 5 amounted to 1,476,892 bushels compared with 1,701,898 in the previous week and 3,664,692 in the same week of 1936. Imports of Canadian wheat into the United States for consumption and milling in bond for re-export in the latest week totalled 182,000 bushels compared with 1,427,000 a year ago.

Production of Leather Footwear

Production of leather footwear during the first six months of 1937 amounted to 12,483,211 pairs as compared with 11,042,084 in the same period of 1936. Output in June totalled 2,226,062 pairs, a decrease of 0.6 per cent from the previous month, but a gain of 29 per cent over June, 1936.

Footwear Trade

Imported leather footwear during June amounted in value to $74,031 as compared with $52,212 in June last year, of which the United States supplied $34,378 and the United Kingdom $25,843. Exports of Canadian-made leather footwear amounted to 15,795 pairs of the value of $42,678 as compared with 10,663 at $25,104. The United Kingdom was the chief purchaser in point of value at $19,243, followed by Jamaica with $11,797, Australia $5,491, New Zealand $2,211 and Trinidad and Tobago $1,258.

Exports of Asbestos

June exports of asbestos amounted to 17,205 tons of the value of $975,700 as compared with 12,225 at $692,088 a year ago. The United States led the purchasers with 6,599 tons, Japan next with 3,253, Belgium 2,403, Germany 1,609, France 1,490 and the United Kingdom 1,478. Asbestos sand and waste was exported to the value of $284,386 as compared with $234,660, of which the United States took $262,851. Asbestos manufactures shipped out of the country were of the value of $49,249 as compared with $18,599, of which the United Kingdom took $25,847 and Australia $11,637.

Reports Issued During the Week

1. Stocks of Grain in Canada at July 31.
2. Imports of Rubber, June.
3. Imports and Exports of Hides and Skins, June.
4. Footwear Trade of Canada, June.
5. Asbestos Trade of Canada, June.
6. First Estimate of Yield of Fall Wheat, Fall Rye, and Alfalfa and Condition of Field Crops at July 31, Canada. Estimate of Areas Sown to Principal Grain Crops in Prairie Provinces.
7. Imports of Milk and Its Products and Eggs, June.
8. Supply and Demand in the Professions.
9. Index Numbers of Security Prices.
10. Car Loadings.
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12. Canadian Milling Statistics, June.
13. Business Conditions in Canada, First Half of 1937.
14. Monthly Wholesale Trade, June.
15. Meat and Fish in Cold Storage, August 1.
16. Dairy and Poultry Products in Cold Storage, August 1.
17. Tree Fruits, Small Fruits and Vegetables in Cold Storage, August 1.
18. Telegraphic Crop Report, Canada.
19. Weekly Index Numbers of Wholesale Prices.
20. Summary of Canada's Imports, June.
21. Price Movements, July.
22. Sugar Report - June 26 to July 17.
23. Production of Leather Footwear, June.
