

WEEKLY BULLETIN

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Weekly Review of Economic Conditions

The six economic factors with one exception recorded gains in the week of April 9. Wholesale prices were maintained at the same level as in the preceding week, the index remaining at 83.3. A slight gain was shown in the railway freight movement after seasonal adjustment. Bond prices were somewhat higher following the gain of the preceding week. The adjusted index of bank clearings rose 2.8 p.c. and considerable increase was shown in the number of shares traded on the Canadian stock exchanges. The index of common stock prices rose 0.6 p.c. from 92.5 to 93.1.

While the index of capitalized bond yields was the only factor of the six considered in this connection to show a gain over the same week of 1937, the decline in the composite was limited to $6\frac{1}{2}$ p.c. The deficit in car-loadings was 16 p.c., while wholesale prices were nearly 4 p.c. lower. The gain in capitalized bond yields was 13.7 p.c. Marked declines were shown in bank clearings, common stock prices and the number of shares traded on the exchanges.

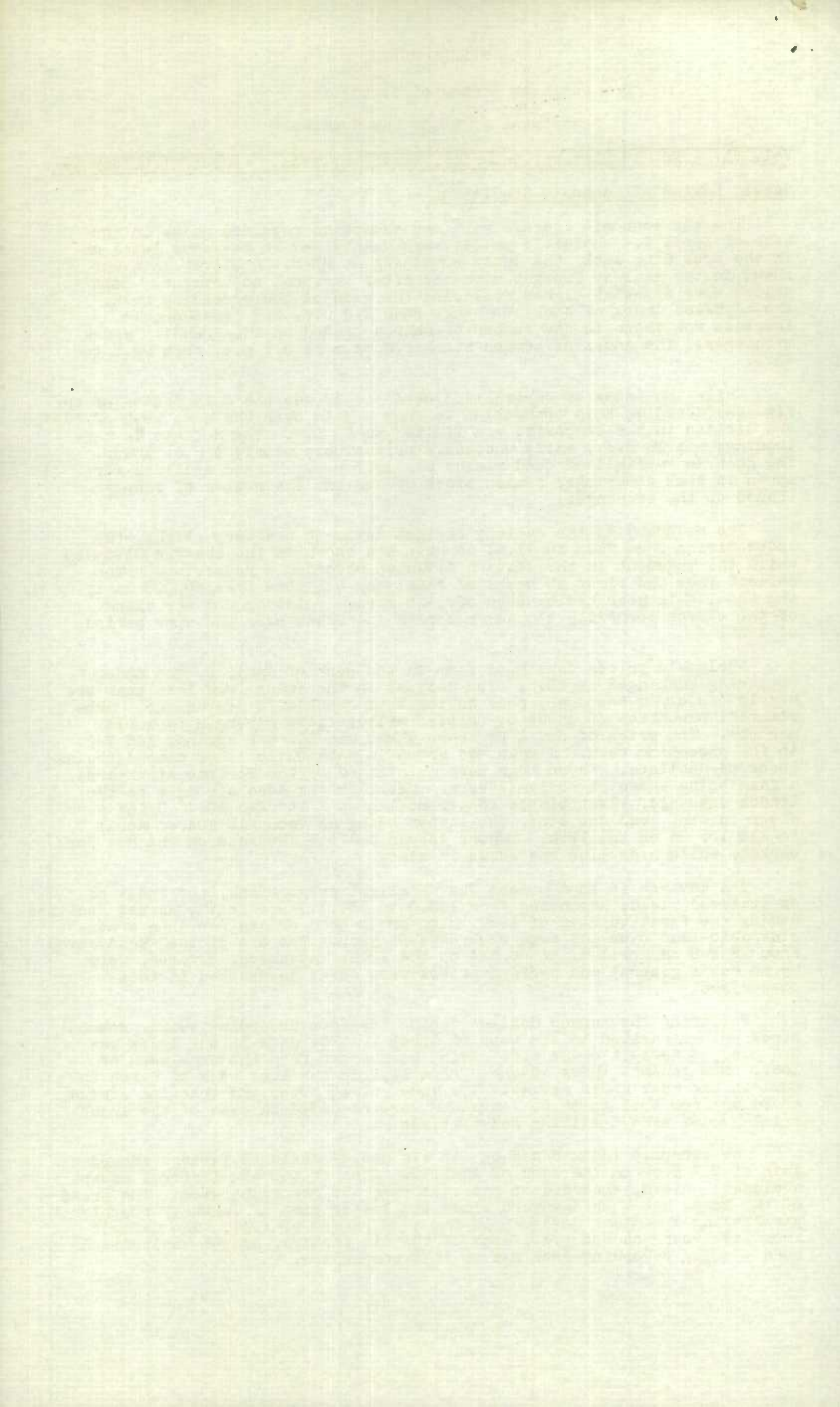
The recovery in the railway freight movement was very slight, the index rising from 71.5 to 71.6. A gain was shown in the eastern division while the movement in the western division recorded a recession. The deficit from the first 13 weeks of last year was more than 50,000 cars, the total this year having been 580,000 cars. Pulpwood and ore alone of the eleven commodity classes recorded increases over the same period of 1937.

Wholesale prices continued firm in the week of April 8, the index remaining unchanged at 83.3. The decline in the index from last year was nearly 4 p.c., a temporary peak having been reached 12 months ago. Substantial purchases of wheat by British millers gave strength to world markets. The price of No. 1 Northern wheat was 146 3-8 against 146 7-8 in the preceding week. A gain was shown in oats while other coarse grains recorded declines. Bacon hogs were maintained on the Toronto stockyards, a gain being shown in medium steers. Metal prices were stronger on the London exchange, electrolytic copper moving up £1 to £43 10s. Gains were shown in tin, lead and zinc, the latter being up from £13 10s on April 5, to £13 13s 9d on the 12th. Export copper and tin advanced on the New York market, while a decline was shown in zinc.

The advance in bond prices was of slight proportions, the index of capitalized yields advancing from 153.8 to 154.1. Due to the marked declines during the first quarter of 1937, high-grade bond prices now show a considerable lead over the same week of that year. The 3's of 1950-55 advanced from 98 5-8 on April 5, to 98 3-4 on the 12th. Advances, however, were by no means general and average prices were about maintained in this comparison.

Following the marked decline during the four preceding weeks, common stock prices rallied in the week of April 7. The gain in the index was 0.6 p.c., a deficit of 34 p.c. having been shown from the same week of 1937. The general index advanced from 92.5 in the last week of March to 93.1 in the week under review. The index of 15 power and traction stocks moved up from 55.1 to 56.0. Advances were recorded in each of the industrial groups except milling and textiles.

The economic index based on the six above-mentioned factors showed a gain of 0.7 p.c. in the week of April 9. Each of the six factors, except wholesale prices, recorded an increase over the preceding week. The trend of the index has been downward since the latter part of January, roughly paralleling a similar movement in the same period of 1937. The deficit from last year was 6.5 p.c., each of the six factors, except capitalized bond yields, recording declines in this comparison.



Weekly Economic Index with the Six Components
1926=100

Week Ended	Car loadings ¹	Whole-sale Prices	Capitalized Bond Yields ²	Bank Clearings ³	Prices of Common Stocks	Shares Traded	Economic Index ⁴
April 10, 1937	85.3	86.7	135.5	113.5	141.3	491.5	114.2
April 2, 1938	71.5	83.3	153.8	90.4	92.5	136.4	106.0
April 9, 1938	71.6	93.3	154.1	92.9	93.1	169.5	106.8

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

Wheat Stocks in Store

Canadian wheat in store on April 8 amounted to 44,444,282 bushels compared with 44,508,510 the week before and 80,777,022 a year ago. Stocks on the latest date included 14,414,267 bushels of Durum wheat. Canadian wheat in the United States amounted to 963,900 bushels compared with 1,110,000 a week ago and 13,529,968 last year. United States wheat in Canada was reported at 906,301 bushels compared with 993,937 a week ago and nil last year. Wheat in rail transit totalled 2,527,446 bushels compared with 1,351,702 a week ago and 4,604,142 on the corresponding date last year.

The wheat stocks in the elevators in Canada for the week ending April 8 amounted to 43,480,382 bushels compared with 43,398,510 in the previous week and 67,247,054 in the same week last year. The location was as follows: Western Country Elevators, 13,635,000 bushels; Interior Terminals, 5,074,599; Vancouver-New Westminster, 1,278,366; Prince Rupert, 292,279; Churchill, 11,820; Fort William and Port Arthur, 13,740,927; Eastern Elevators, 5,187,315 and Lake and Seaboard Ports, 1,732,630.

Overseas Export Clearances of Wheat

Overseas export clearances of wheat during the week ending April 8 aggregated 599,006 bushels compared with 399,104 in the previous week and 1,191,973 in the corresponding week last year. Imports of Canadian wheat into the United States for consumption and milling in bond for re-export totalled 2,000 bushels compared with nil in the previous week and 476,000 in the same week a year ago.

Total overseas export clearances of wheat during the period August 1 to April 8 were 56,998,153 bushels compared with 107,400,229 in the corresponding period of the previous crop year. Imports of Canadian wheat into the United States totalled 2,015,871 bushels compared with 36,682,303.

Wheat Marketings

Wheat marketings in the Prairie Provinces during the week ended April 8 amounted to 1,140,163 bushels compared with 606,965 in the previous week and 1,284,434 in the corresponding week last year. Total marketings during the thirty-six weeks ending April 8 were 112,361,029 bushels compared with 152,050,689 in the corresponding period of the previous crop year.

Production of Feldspar and Salt

Production of feldspar in Canada during January totalled 1,341 tons compared with 1,983 in the previous month and 1,177 in January, 1937. Shipments of commercial salt were recorded at 11,575 tons compared with 13,697 in December and 11,910 in January last year.

Gold Production in February

The production of gold in Canada during February amounted to 340,838 fine ounces compared with 361,086 in the previous month and 310,074 in February, 1937. London prices averaged \$35.06 per ounce during the latest month in Canadian funds, the value of the output being \$11,497,780. In the previous month prices averaged \$34.90, the total being \$12,601,901.

Production by Ontario operators in February totalled 210,448 ounces, of which 93,249 came from the Porcupine camp, 73,704 from the Kirkland Lake area and 43,495 from other sources. In January the Porcupine camp produced 99,948 ounces, Kirkland Lake area 82,866 and other sources 40,053. Quebec produced 70,879 ounces against 76,865 in the previous month.

A slight decline was recorded in British Columbia when 40,657 ounces were produced compared with 40,684 in January. Output in Manitoba and Saskatchewan amounted to 17,569 ounces compared with 18,110. Shipments by producers in Nova Scotia totalled 1,278 ounces compared with 2,118. Alluvial gold production in the Yukon was only seven ounces. Jewellery and scrap receipts at the Royal Canadian Mint in February contained 1,286 ounces of gold; the gold content in February 1937 was 1,711 ounces.

Output of Copper in February

Canadian producers reported an output of 46,835,955 pounds of copper in February compared with 52,454,135 in the previous month and 38,425,569 in February, 1937. Blister copper production in the latest month amounted to 38,795,413 pounds compared with 43,463,442 the month before. Copper prices at London averaged 9.756 cents per pound in Canadian funds; valued at this price the February output was worth \$4,569,316. The average price was 10.131 in the previous month and the total value, \$5,314,128.

Production of Nickel

The output of nickel in February totalled 16,008,523 pounds compared with 20,270,680 in the previous month and 17,330,201 in February, 1937.

Production of Leather Footwear

Canadian factories produced 1,777,340 pairs of leather footwear during February compared with 1,461,629 in the previous month and 1,929,500 in February, 1937. The output of the factories during January and February this year totalled 3,238,969 pairs compared with 3,411,517 in the same two months of 1937.

Railway Revenues in January

Canadian railways earned \$24,362,190 in January compared with \$25,140,785 in the corresponding month last year. Operating expenses increased to \$24,210,861 from \$22,890,060 in 1937 and the operating income was reduced from \$1,145,816 to a deficit of \$1,018,779. Freight traffic was 1.5 per cent lighter and freight revenues declined by \$1,112,470 or 5.8 per cent. Passenger traffic increased by 14.0 per cent and passenger revenues were greater by \$298,972 or 10.5 per cent. Total pay roll increased from \$14,051,778 to \$15,278,415.

Hospitals in Canada

Exclusive of the 58 mental hospitals in Canada, 904 hospitals devoted to the care of the sick were in operation in Canada during 1936. The number of patients under care during the year was 861,427. 901 hospitals reported their activities to the Dominion Bureau of Statistics. Of the total reporting, 463 were General Public; 18 Women's; 11 Paediatric; 18 Isolation; 5 Convalescent; 34 Red Cross; 37 Tuberculosis Sanatoria; 18 Incurable; 6 Special; 32 Dominion and 259 Private hospitals. Public hospitals for the treatment of acute diseases comprise 62.6 per cent of all public and private hospitals and contain 75.4 per cent of the bed capacity.

Production of Butter and Cheese

Increased production of creamery butter in six provinces during March compared with the corresponding month last year resulted in a gain of four per cent in output for Canada as a whole. Compared with the previous month an increase of 33 per cent was recorded. The output in the latest month was 10,072,892 pounds compared with 7,549,188 the month before and 9,683,033 in March, 1937. Ontario had a drop in production of two per cent compared with March, 1937, Saskatchewan 21.7 per cent and British Columbia 4.3 per cent.

A decline of 54.6 per cent in the production of factory cheese in Ontario from March, 1937, and a small decline in Manitoba more than counter-balanced increases in the remaining producing areas. Production in Canada totalled 794,271 pounds in the latest month compared with 552,594 in the previous month and 1,162,934 in March, 1937.

Traffic Offences in England and Wales

Traffic offenders accounted for 59 per cent of the 872,017 persons tried for indictable and non-indictable offences in England and Wales during 1936, according to an official report received by the Dominion Bureau of Statistics. The total number of persons tried in 1935 was 806,471. Guilty persons numbered 824,951 in 1936, of whom 99.1 per cent were dealt with by the magistrates and the remainder by jury.

A variety of non-indictable offences, including drunkenness, breaches of byelaws and Police Regulations, failure to take out licenses for dogs and cars, Sunday trading, betting and gaming, and number of others accounted for 32 per cent of the total offenders. Indictable offences, of which the great majority were thefts accounted for the remaining nine per cent.

British South African Inland Revenues

Collection of inland revenues of the Union of British South Africa during the financial year ended March 31, 1937, yielded a total of £25,104,544 compared with £23,108,955 in 1936. The percentage of the total in the latest year derived from income tax, including tax on gold mining was 64.7, interest on government loans and investment of cash balances 9.2, stamp duties and fees 5.6, death duties 5, Native taxes 3.7 and Departmental receipts 2.8.

Stocks of Grain in Canada

Stocks of wheat in Canada on March 31 were 84,160,585 bushels, the lowest since 1920. The revised total for 1937 was 115,212,298 bushels. Stocks of oats were 77,927,249 bushels compared with 80,092,118, barley 25,727,624 compared with 19,756,277 and flaxseed 527,399 compared with 888,047. Farm stocks of potatoes at March 31 totalled 13,878,000 cwt. compared with 10,482,000. Supplies of hay and clover on farms amounted to 2,740,000 compared with 3,356,000.

The preliminary estimate of wheat fed or to be fed to live stock and poultry during 1937-38 crop season amounts to 18,938,000 bushels compared with 15,794,000 bushels in the 1936-37 season. Only 1,658,300 bushels of the 1937 wheat harvest are estimated as of unmerchantable quality as compared with the record low of 1,515,500 from the 1936 crop. Over 46 per cent of the unmerchantable wheat from the 1937 harvest occurred in Ontario. Oats of unmerchantable quality from the 1937 crop was estimated at 9,147,000 bushels compared with 8,509,000. As in the previous year, the bulk of the unmerchantable oats from the 1937 crop occurred in Ontario and Quebec. The amounts of barley and rye of unmerchantable quality in 1937 were moderately greater than in 1936.

Reports Issued During the Week

1. Car Loadings.
 2. Canadian Grain Statistics.
 3. Stocks of Grain on Hand and of Merchantable Quality, March 31, Canada.
 4. Weekly Index Numbers of Wholesale Prices.
 5. Copper and Nickel Production, February.
 6. Gold Production, February.
 7. Stone Industry, 1936.
 8. Cold Storage Holdings of Meat and Fish, April 1.
 9. Stocks of Dairy and Poultry Products, April 1.
 10. Stocks of Canadian Fruits and Vegetables, April 1.
 11. Monthly Review of Dairy Production, March.
 12. Sugar Report - March 5 to March 26, 1938.
 13. Operating Revenues, Expenses and Statistics, January
 14. Production of Leather Footwear, February.
 15. Annual Report of Hospitals in Canada, 1936.
 16. Advance Report on the Manufacturing Industries, 1936.
 17. Feldspar and Salt Production, January.
 18. Security Prices and Foreign Exchange.
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