

WEEKLY BULLETIN

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Weekly Review of Economic Conditions

Four of the six major factors indicating the trend of economic conditions recorded an increase in the second week of April. Increases were shown in carloadings and common stock prices, the gains ranging between four and five per cent. Commodity prices recorded a decline and trading was less active on the stock exchanges. The high-grade bond market was strong, a further gain in prices having been recorded. The adjusted index of bank clearings rose more than 1 p.c.

Although only one of the six major factors recorded an increase over the same week of 1937, the composite showed a deficit of only 3.6 p.c. The decline in carloadings and wholesale prices was 9.3 p.c. and 3.5 p.c., respectively. The index of capitalized bond yields rose nearly 13 p.c., while the adjusted index of bank clearings was 13.4 p.c. lower. The decline in common stock prices was slightly more than 30 p.c., while the number of shares traded on the stock exchanges receded to a much lower level.

An encouraging increase was shown in the railway freight movement in the 14th week of the year ended April 9. The adjusted index rose from 71.6 to 74.7. Gains were common in both the eastern and western divisions. Despite the gain of the week, the freight movement was less than in the corresponding period of 1937 or of 1936. The aggregate for the first 14 weeks of the present year was 623,500 cars, a decline of 34,400 from the same period of 1937. Pulpwood and ore showed increases of 11,700 cars and 8,800 cars, respectively. The other nine commodity classes recorded decline in this comparison.

Prices of animal products and non-ferrous metals recorded a gain in the week of April 16. Five other groups showed recession, textiles remaining unchanged. The net result was that the composite for 567 commodities dropped from 83.3 to 83.0, a decline of 0.4 p.c. The reaction on the Winnipeg grain exchange was an important influence in lowering the general index, wheat No. 1 Northern dropping from 146 3-8 to 142 3-8. Oats and barley also recorded decline while other coarse grains were somewhat higher. Metal prices with the exception of lead, showed advance on the London exchange. Electrolytic copper rose from £43 10s on April 12, to £44 10d on the 19th. Advances were also shown in New York, export copper having been quoted at 10.22 on the 19th. Tin rose 50 cents to \$39.00. Zinc recovered to 4.25, while lead was unchanged. A readjustment of livestock prices on the Toronto stockyards was shown, medium steers rising from 5.54 to 5.72 while bacon hogs declined from 10.15 to 9.85. The composite of wholesale prices has remained remarkably steady since the beginning of the year, contrasting with a considerable advance during the first fourteen weeks of 1937. The net result was that the index of wholesale prices was 3.5 p.c. below the same week of last year.

High-grade bond prices were strong, a continuance of the advance of the two preceding weeks being recorded. The trend during the elapsed portion of the year has been in an upward direction, contrasting with the deflation during the first quarter of 1937. The index of capitalized bond yields showed an increase of 0.6 p.c. over the preceding week and nearly 14 p.c. over the same week of last year. Bid quotations on April 19 showed appreciable advances over the 12th. The 3's of 1950-55 rose from 98 3-4 to 99 1-2.

After showing a marked decline during March, common stock prices rallied during the first half of April. The gain in the index during the week under review was 4.7 p.c., the standing having been 97.5 against 93.1. The decline over the same week of 1937, however, was 30 p.c. In comparison with the week of April 7, each of the groups in the official classification recorded advances. The index of 15 power and traction stocks rose from 56.0 to 58.1.

The economic index based on the above-mentioned factors rose 1 p.c. in the week of April 16, the standing having been 107.8 against 106.8 in the preceding week. Four of the components recorded increases, the exceptions being wholesale prices and the number of shares traded. The deficit from the same week of 1937 was reduced to 3.6 p.c. The index of capitalized bond yields, however, was the only factor recording an increase over the same week of last year. The decline in common stock prices was no less than 30 p.c., while carloadings and wholesale prices recorded declines of 9.3 and 3.5 p.c., respectively.

Weekly Economic 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	Economic Index ⁴
April 17, 1937	82.4	86.0	136.1	108.4	139.4	352.2	111.8
April 9, 1938	71.6	83.3	154.1	92.9	93.1	169.5	106.8
April 16, 1938	74.7	83.0	155.0	93.9	97.5	98.2	107.8

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 week 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, 1938. 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.

Exports During Fiscal Year 1937-38

Canada's domestic exports during the fiscal year ended March 31 totalled in value \$1,070,217,328 compared with \$1,060,181,906 a year ago, an increase of \$9,035,422 or 0.9 per cent, according to preliminary figures issued by the Dominion Bureau of Statistics. The export of foreign produce was \$14,600,920 compared with \$13,062,314, an increase of \$1,538,606 or 11.8 per cent. The fiscal year domestic export trade was the largest since 1930 when it totalled \$1,120,258,302. The year of record value since the Great War was 1929 with \$1,368,259,131.

The increase in exports during the fiscal year was fairly general in commodities, but there were heavy decreases in wheat and furs. Wheat was down \$107,188,300 and furs \$4,506,028.

The following were the export values of leading commodities with the fiscal year 1937 figures in brackets: wheat \$116,273,709 (\$223,461,009), wheat flour \$23,221,366 (\$21,587,038), fish \$27,623,615 (\$25,968,172), furs \$14,830,397 (\$19,336,425), meats \$41,362,775 (\$36,114,497), cheese \$12,938,568 (\$11,236,543), planks and boards \$43,662,909 (\$40,284,864), wood pulp \$39,960,178 (\$33,210,237), newsprint \$120,007,550 (\$110,176,448), automobiles and parts \$28,291,305 (\$22,328,668), copper ore and metals \$56,349,161 (\$39,494,719), nickel \$61,918,600 (\$45,882,194).

Domestic exports in March were of the value of \$74,208,127 compared with \$88,326,529 in March last year, a decline of \$14,188,402 or 15.9 per cent. The decline was fairly general throughout the commodities. Leading exports were as follows with the 1937 figures in brackets: wheat \$4,452,423 (\$6,329,472), wheat flour \$1,770,784 (\$2,183,272), fish \$2,516,411 (\$2,149,988), furs \$1,414,820 (\$2,011,703), meats \$3,265,953 (\$4,028,674), cheese \$146,113 (\$200,578), planks and boards \$3,129,928 (\$3,549,709), wood pulp \$2,899,451 (\$3,633,390), newsprint \$8,685,337 (\$10,659,613), automobiles and parts \$3,302,969 (\$3,056,592), copper ore and metals \$5,047,420 (\$5,279,546), nickel \$6,178,499 (\$6,280,955).

Exports of Wheat and Wheat Flour

Domestic exports of wheat during the fiscal year ended March 31 were recorded at 89,628,923 bushels of the value of \$116,273,709 compared with 227,996,513 of the value of \$223,461,009 in the previous fiscal year. The average export price advanced to \$1.30 during the twelve month period from 98 cents. Shipments of wheat abroad during March totalled 3,487,449 bushels appraised at \$4,452,423 compared with 4,748,599 at \$6,329,472 in the same month last year.

Exports of wheat flour during the 12 months ended March totalled 3,904,888 barrels valued at \$23,221,366 compared with 4,771,007 valued at \$21,587,038 in the previous fiscal year. The average export price was \$5.95 as compared with \$4.53. Domestic exports of wheat flour during March were 301,735 barrels worth \$1,770,784 compared with 390,315 at \$2,183,272 a year ago.

March Exports of Coarse Grains

March exports of barley were considerably in advance of those of the corresponding month last year, amounting to 813,255 bushels of the value of \$537,624 compared with 29,321 at \$29,518. Purchases by the United Kingdom accounted for 812,261 bushels compared with 16,667. Export shipments of oats totalled 305,751 bushels worth \$161,020 compared with 65,712 at \$37,613, the United Kingdom taking 152,187 bushels in the latest month. Rye exports totalled 8,555 bushels valued at \$7,099 compared with 1,175 at \$916.

Wheat Stocks in Store

Canadian wheat in store on April 14 amounted to 43,759,732 bushels compared with 44,444,282 a week ago and 77,702,901 on the corresponding date last year. Stocks on the latest date included 14,395,543 bushels of Durum wheat. Stocks of Canadian wheat in the United States totalled 911,173 bushels on the latest date compared with 963,900 a week ago and 12,041,387 a year ago. Wheat in rail transit totalled 3,105,869 bushels compared with 4,253,971 last year. Stocks of United States wheat in Canada amounted to 877,270 bushels compared with nil a year ago.

Primary Movement of Wheat

Wheat marketings in the Prairie Provinces during the week ended April 14 aggregated 1,139,422 bushels compared with 1,140,163 in the previous week and 946,356 in the corresponding week last year. Total marketings from August 1 to April 14 were 113,500,451 bushels compared with 152,997,045 in the same period of the previous crop year.

Overseas Export Clearances of Wheat

Overseas export clearances of wheat during the week ended April 14 totalled 326,239 bushels compared with 599,006 in the previous week and 1,688,076 in the corresponding week last year. Imports of Canadian wheat into the United States for consumption and milling in bond for re-export in the latest week totalled 4,000 bushels compared with 2,000 the week before and 505,000 a year ago.

Aggregate overseas export clearances of wheat during the period August 1 to April 14 were 57,324,434 bushels compared with 109,088,305 in the corresponding period of the previous crop year. Imports of Canadian wheat into the United States were 2,019,871 bushels compared with 37,187,303 in the same period of the preceding crop year.

Production of Leading Minerals in January

The production of leading minerals in Canada during January was as follows, with corresponding figures for 1937 in brackets: Asbestos, 16,845 (22,454) tons; cement, 132,263 (97,276) barrels; clay products, \$145,451 (\$135,648); coal, 1,448,825 (1,496,991) tons; copper, 52,454,135 (37,282,247) lb.; feldspar, 1,341 (1,177) tons; gold, 361,086 (328,545) fine ounces; gypsum, 6,159 (8,473) tons; lead, 37,522,125 (34,112,307) lb.; lime, 32,633 (38,377) tons; natural gas, 4,025,936,000 (4,052,000,000) cubic feet; nickel, 20,270,680 (16,173,486) lb.; petroleum, 457,308 (141,078) barrels; commercial salt, 11,575 (11,910) tons; silver, 1,571,052 (1,390,476) fine ounces; zinc, 34,865,607 (19,316,188) lb.

Production of Silver, Lead and Zinc

Silver production in Canada during February amounted to 1,430,848 ounces compared with 1,571,052 in the previous month and 1,322,833 in the corresponding month last year. The average price at New York in Canadian funds was 44.736 cents per ounce, the output in the latest month being valued at \$640,104.

Production of lead in February totalled 26,786,559 pounds compared with 37,522,125 the month before and 28,504,743 in the same month last year. Quotations at London averaged 3.44 cents per pound in Canadian funds, the total value of the output in February this year being \$921,458.

Zinc production totalled 29,025,024 pounds during February compared with 34,865,607 in January and 19,896,396 in February, 1937. The average price at London was 3.218 cents per pound in the latest month; based on this price the output was worth \$934,025.

Production of Cement, Clay and Lime

Shipments of Portland cement by Canadian producers during January amounted to 132,263 barrels compared with 186,581 in the previous month and 97,276 in January, 1937. Shipments of lime were recorded at 32,633 tons compared with 36,183 the month before and 38,377 in the corresponding month last year. Sales of clay and clay products were valued at \$145,451 in January compared with \$238,997 in December and \$135,648 a year ago.

Production of Asbestos

Canadian producers shipped 12,177 tons of asbestos during February compared with 16,845 in January and 27,301 in February last year. During the first two months of this year shipments totalled 29,022 tons or 41.7 per cent below the tonnage shipped in the corresponding months of 1937.

Departmental Store Sales in March

Sales of department stores averaged 6.6 per cent lower in March than in the corresponding month last year. The preliminary unadjusted index, on the base average monthly sales for 1930 equals 100, stands at 66.1 compared with 57.8 the month before and 70.8 for March last year. The decline from March, 1937, reflects in part the fact that Easter is three weeks later this year. On making allowance for differences in the number of business days and making a somewhat arbitrary adjustment for the shifting date of Easter, it is estimated that sales were about two per cent lower in March this year than last.

March Building Permits

The value of the building permits issued by 58 cities during March was \$3,556,567, an increase of \$1,194,610 or 50.6 per cent over the February total of \$2,361,957, but a decrease of \$3,110,672 or 46.7 per cent from the aggregate of \$6,677,239 reported for March, 1937, when the construction of several large industrial buildings had been authorized.

The building represented by the construction permits taken out in the first three months of this year was valued at \$7,765,625 compared with \$10,527,992 in the first quarter of 1937. The total for the corresponding period of 1936 was \$5,592,471; 1935, \$8,507,270 and 1934, \$2,710,999.

Production of Automobiles

The production of automobiles in Canada during March numbered 16,802 units, according to preliminary figures. In the previous month 16,066 units were produced and in March last year the total was 24,901.

Retail Prices, Rents and Costs of Services

The Dominion Bureau of Statistics index number of retail prices, rents and costs of services on the base 1926=100, rose from 83.9 in February to 84.2 in March. Increased prices for foods, fuel and clothing were responsible for the upward movement. An index for retail prices alone, including foods, coal, coke, clothing, household requirements, tobacco, etc., advanced from 79.1 to 79.6. When foods were removed from this index it was 80.5 in March compared with 80.3 in the previous month.

Births, Deaths and Marriages

Births registered in 67 cities and towns in Canada having a population of 10,000 and over numbered 7,179 in March, deaths 4,796 and marriages 1,927, showing an increase of 4 per cent in births, decreases of $4\frac{1}{2}$ per cent in deaths and 10 per cent in marriages compared with March 1937.

Financing of Motor Vehicle Sales

Both the total number of motor vehicle sales financed in Canada during March and the corresponding financed value declined 13 per cent from March last year, the total being 12,208 units financed to the extent of \$5,201,660 compared with 14,018 at \$5,956,017. Financing of new vehicle sales declined 28 per cent, while used vehicle financing declined 5 per cent.

Cumulative totals for the first quarter of 1938 decreased 11 per cent in number and 8 per cent in amount from the corresponding period of 1937, the total being 26,721 units financed for \$11,854,307 compared with 30,173 vehicles at \$12,852,660 for the first quarter of 1937.

Railway Rolling Stock Industry

Production from the Railway Rolling Stock Industry during 1936 was valued at \$56,969,453, an increase of 38 per cent over the 1935 value of \$41,213,039, which in turn was 20 per cent greater than the \$34,352,911 reported for 1934. Included in the products made during the year were 2,078 new freight cars at \$8,069,985, 23 new locomotives at \$2,367,414, 38 passenger cars at \$1,460,456, car wheels at \$2,179,990, and tires for wheels \$185,669. The value of repairs on cars and locomotives totalled \$24,455,924.

Glass Industry

Production from the glass industry during 1936 was valued at \$11,094,762 or 11.7 per cent more than in 1935. The pressed and blown glass division of the industry had a production value of \$7,717,407 compared with \$7,337,260 and cut and bevelled glass \$3,377,355 compared with \$2,596,088.

Crop Conditions in Argentina

The correspondent of the Dominion Bureau of Statistics in Buenos Aires reports under date of April 4 that the drought which afflicted Argentina almost in its entirety for many weeks, and which persisted in some districts even after rains had made their appearance in most of the cereal zone, has now been very definitely broken. During March there was generous precipitation everywhere. In some parts it was far too generous, and much low-lying land was inundated and the crops damaged or even destroyed.

Interesting Notes from Abroad

Agricultural Output of Northern Ireland

The agricultural output of Northern Ireland in 1936 was of the value of £14,515,500 compared with £12,680,690 in 1935, according to an official report received by the Dominion Bureau of Statistics.

Foreign Trade of China

Merchandise trade of China during January and February this year was of the value of \$215,469,340, according to an official report received by the Dominion Bureau of Statistics. This compares with a total of \$329,745,991 in the same two months of 1937. Net imports totalled \$131,458,686 compared with \$162,439,355 and net exports \$84,010,654 compared with \$167,306,636 in January and February, 1937.

Trade of Hong Kong

The trade of Hong Kong increased substantially in February in comparison with the corresponding month last year, the total being \$172,473,988 compared with \$76,867,103, according to an official report received by the Dominion Bureau of Statistics. Although gains were shown in both import and export trade, the more substantial increase was shown in exports, the total increasing to \$108,263,357 from \$35,630,064, and imports to \$64,210,631 from \$41,237,039. Exports of treasure had an appraised value of \$68,899,796 compared with \$1,531,764 in February, 1937; imports totalled \$2,510,581 compared with \$1,341,946. Merchandise exports aggregated \$39,363,561 compared with \$34,098,300 and imports \$61,700,050 compared with \$39,895,093.

Reports Issued During the Week

1. Registrations of Births, Deaths and Marriages, March (10 cents per copy).
 2. Summary of Exports of Grains and Flour, March (10 cents per copy).
 3. Financing of Motor Vehicle Sales, March (10 cents per copy).
 4. Sales of Motor Vehicles and Motor Vehicle Financing in Canada, 1937,
(25 cents per copy).
 5. The Grain Situation in Argentina (10 cents per copy).
 6. Cement, Clay and Lime Production, January (10 cents per copy).
 7. Asbestos Production, February (10 cents per copy).
 8. Departmental Store Sales, March (10 cents per copy).
 9. Security Prices and Foreign Exchange (10 cents per copy).
 10. Prices and Price Indexes, March (10 cents per copy).
 11. Silver, Lead and Zinc Production, February (10 cents per copy).
 12. Production of Asphalt Roofing, March (10 cents per copy).
 13. Sales of Asphalt Roofing, March (10 cents per copy).
 14. Index Numbers of Wholesale Prices (10 cents per copy).
 15. Trade of Canada, Calendar Year 1937 (50 cents per copy).
 16. The Glass Industry, 1936 (10 cents per copy).
 17. The Railway Rolling Stock Industry, 1936 (10 cents per copy).
 18. Building Permits, March (10 cents per copy).
 19. Canada's Leading Mineral Products, January (10 cents per copy).
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