

WEEKLY BULLETIN

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Weekly Review of Economic Conditions

The significant factors showing the trend of economic conditions averaged 1 p.c. higher in the last week of April advances having been shown in four of the six. The business factors including carloadings and wholesale prices showed declines while the others rose to a higher position. A gain in the index of capitalized bond yields was 2.4 p.c. The rally in common stock prices continued, the index advancing from 100.9 to 101.3. Trading on the stock exchanges was more active than in the third week of the month.

The six factors considered in this connection averaged the same in the week under review as in the corresponding week of 1937. The index of capitalized bond yields recorded an advance of nearly 18 p.c., while other factors were at a lower level than one year ago.

After having shown increases for two weeks, the railway freight movement dropped off moderately in the 16th week ended April 23. The index was 74.4 against 76.0. The gain in the Eastern division was more than offset by a decline in the Western division. The deficit during the first 16 weeks was nearly 45,000 cars, the total during the elapsed portion of 1938 having been 707,000 cars. The gains in pulpwood and in ore amounted to about 12,000 and 9,000 cars, respectively. The other nine groups recorded a decline in this comparison.

The recession in wholesale prices continued in the week under review, the general index dropping from 82.4 to 81.5. Five of the eight main groups showed declines, while three were maintained. The index for Canadian farm products dropped from 82.5 to 79.9, declines being shown both in crop and animal products. While a minor decline was recorded in barley, grain prices on the Winnipeg exchange were weak. No. 1 Northern wheat declined from 136 $\frac{3}{4}$ to 126 $\frac{1}{8}$, and recessions were shown in oats, flax and rye. Electrolytic copper on the London metal exchange dropped from £43 15s on April 26 to £42 5s on May 3. Declines were also shown in lead and zinc. A further drop was shown in export copper on the New York market, recessions also having been shown in tin and zinc. Lead was maintained at the same price of 4.50-4.55. Moderate advances were recorded in livestock prices on the Toronto stockyards, bacon hogs moving up from 9.85 to 9.94.

A constructive feature of the month was the further advance in high-grade bond prices which were practically as high as at any time in recent years. The 3's of 1950-55 advanced from 99 $\frac{1}{2}$ on April 26 to 99 $\frac{3}{4}$ on May 3. High-grade bonds have shown an advancing trend for more than a year following the reaction during the first quarter of 1937. The result is that a marked gain is now shown over the same week of last year. The increase in the index of capitalized bond yields was no less than 17.9 p.c.

Common stocks averaged slightly higher in the week of April 28 than in the preceding week, the index standing at 101.3 against 100.9. The groups of the official classification moved unevenly, five of the industrial groups recording advances, while three were at a lower level and one was unchanged. The index of 15 power and traction stocks advanced from 60.8 to 62.3. The mining stocks averaged slightly higher, appreciation having been shown both in golds and base metals. The index of common stock prices rose 0.4 p.c. over the preceding week, but showed a deficit of 21 p.c. from the same week of 1937.

The economic index based on the six above-mentioned factors was 109.6 against 108.4 in the preceding week. Each of the six components, except carloadings and wholesale prices, recorded advances in this comparison. Owing to increases in the last three weeks, the level of the same period of 1937 has been regained, the index then standing at 109.6. This development was mainly due to the persistent advance in high-grade bond prices, the other factors used in this connection recording a deficit.

Weekly Economic 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	Economic Index ⁴
May , 1, 1937	80.9	85.1	136.4	106.5	128.3	258.2	109.6
April 23, 1938	76.0	82.4	157.0	92.0	100.9	85.0	108.4
April 30, 1938	74.4	81.5	160.8	94.5	101.3	112.0	109.6

Footnotes to Preceding Table:

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.

April Employment Situation

Employment at April 1 showed a large seasonal contraction, according to information tabulated in the Dominion Bureau of Statistics from 10,450 establishments whose staffs aggregated 1,001,970 persons compared with 1,029,001 in the preceding month, a reduction of 27,031 workers. The index stood at 105.0 compared with 107.8 in the previous month. The index for April this year was the highest for that month in any year since 1930. For April 1 last year, statistics had been received from 9,987 firms, whose employees had numbered 978,913.

Statistics furnished by leading employers show that industrial activity has suffered a between-season's recession at the beginning of April in fifteen of the seventeen preceding years for which data are available; this ordinarily results from the release of bushmen following the completion of the season's logging operations, before any considerable numbers of workers have been absorbed into the outdoor industries opening up in the spring and early summer.

The general decline at the date under review has been exceeded on two or three occasions in the years since 1920, but was greater than the average loss at April 1 in that period; that this was so, was due in the main to unusually pronounced curtailment in bush work, from which over 28,200 men were laid-off by the co-operating employers, following a season of marked activity. The number released in this industry was larger than that recorded at the beginning of April in any other year since 1920, although the percentage loss has several times been exceeded.

Coal-mining and steam railway transportation and construction and maintenance also recorded important reductions of a seasonal character. On the other hand, manufacturing showed some improvement, and additions to staffs were noted in shipping, highway construction, services and trade.

Gross Value of Agricultural Production

The gross value of commodities produced on Canadian farms in 1937 was estimated at \$1,051,698,000 as compared with \$1,079,571,000, the revised estimate of the gross value of production in 1936. This represents a decrease of \$27,873,000, or less than one per cent, and was accounted for largely by the decreased value of field crops in Saskatchewan. Decreases are shown also in the value of fruits and vegetables, poultry and eggs, maple products and honey. Increases are recorded in farm animals, wool, dairy products and tobacco.

The outstanding decrease was shown in Saskatchewan where the value of all crops was 93.6 million dollars less than in 1936. Decreases of 3.9 million dollars in New Brunswick, 3.1 million in Ontario, 2.9 million in Prince Edward Island and 1.1 million in Nova Scotia were also recorded. The greatest increase took place in Manitoba, where a gain of 43.6 million dollars was registered. There were also increases of 28.5 million dollars in Alberta, 3.2 million in British Columbia and 1.5 million in Quebec.

Values for 1937, by provinces in order of magnitude, were as follows, with 1936 figures in brackets: Ontario, \$357,201,000 (\$360,329,000); Quebec, \$191,510,000 (\$189,970,000); Alberta, \$177,488,000 (\$149,000,000); Saskatchewan, \$91,902,000 (\$185,532,000); British Columbia, \$45,025,000 (\$41,869,000); Nova Scotia, \$27,932,000 (\$29,039,000); New Brunswick, \$26,517,000 (\$30,408,000); Prince Edward Island, \$12,870,000 (\$15,765,000).

Primary Movement of Wheat

Wheat marketings in the Prairie Provinces for the week ending April 29 amounted to 1,168,120 bushels compared with 1,108,043 in the previous week and 591,672 in the corresponding week last year. Total marketings during the thirty-nine weeks ended April 29 were 115,776,614 bushels compared with 154,509,981 in the corresponding period of the previous crop year.

Overseas Export Clearances of Wheat

Overseas export clearances of wheat during the week ending April 29 amounted to 825,688 bushels compared with 376,643 the week before and 1,736,994 in the same week last year. The imports of Canadian wheat into the United States for consumption and milling in bond for re-export were 1,000 bushels compared with nil in the previous week and 557,000 in the corresponding week of 1937. Aggregate overseas export clearances of wheat from August 1 to April 29 were 58,526,765 bushels compared with 112,282,400 in the corresponding period of the previous crop year, while imports into the United States were 2,020,871 bushels compared with 38,266,303.

Wheat Stocks in Store

Canadian wheat in store for the week ending April 29 decreased 1,736,666 bushels from the previous week and 30,484,343 from the corresponding week in 1937. The total was 41,743,988 bushels compared with 43,480,654 for the previous week and 72,228,331 last year. Stocks on the latest date included 13,927,668 bushels of Durum. Stocks of Canadian wheat in the United States amounted to 715,000 bushels compared with 804,900 the week before and 10,295,520 in the corresponding week last year. Wheat in rail transit totalled 3,087,057 bushels and the amount in transit on the lakes was 3,500,918 bushels compared with 6,042,630 and 5,207,446 for the same period last year, respectively.

Milling of Grain in March

A decrease in the amount of wheat ground in Canadian mills in March was shown in comparison with the same month last year. With the exception of corn and buckwheat, coarse grains were higher. The totals for March this year follow, with figures for March, 1937 in brackets: Wheat, 4,498,940 (4,940,114) bushels; oats, 945,541 (649,288); corn, 279,028 (384,744); barley, 115,917 (70,022); buckwheat, 6,951 (7,305); mixed grain, 1,610,123 (1,216,850).

Production of Honey

Production of honey in 1937 was sharply lower than in 1936. Heavy losses of bees during the winter of 1936-37, winter killing of clovers which are the main source of nectar, and unfavourable weather conditions during the summer months took a heavy toll over wide sections of the country, particularly in Ontario, western Manitoba and drought area of Saskatchewan.

Although the estimated number of colonies of bees increased to 391,350 in 1937 from 370,880 in 1936, the total honey crop was estimated at only 21.7 million pounds compared with 28.2 in 1936 and 23.8, the five-year, 1932-1936 average. This represents a decrease of 23 per cent from the 1936 production, and makes the 1937 crop the smallest since 1926, with the exception of 1932 when the production dropped to 19.5 million pounds from the record high of 29.7 million pounds in 1931. The total production of beeswax showed a decline corresponding to the decreased honey production, being estimated at 268,600 pounds in 1937 compared with 342,700 in 1936.

The heaviest decline in honey production was registered in Ontario, normally the largest producing province, ranking second in output for the first time in the history of the industry. The 1937 output follows by provinces, with the estimates for 1936 within brackets: Manitoba, 6,748,550 (8,135,500) pounds; Ontario, 6,520,000 (8,970,000); Quebec, 3,589,000 (5,395,550); Alberta, 2,160,000 (1,850,000); British Columbia, 1,427,000 (1,129,700); Saskatchewan, 1,142,550 (2,636,300); New Brunswick, 80,000 (50,000); Nova Scotia, 50,000 (52,750); Prince Edward Island, 16,150 (14,000).

Imports During Fiscal Year

The value of imports during the fiscal year ended March this year was considerably higher than in the previous fiscal year and reached the highest level since 1930-31. The total this year was \$799,069,918 compared with \$671,875,566 in 1936-37. The low reached in recent years was in 1932-33 with a value of \$406,383,744. In 1930-31 the total was \$906,612,695.

Imports from foreign countries were valued at \$565,896,880 this year compared with \$473,709,724 in 1936-37, and from countries of the British Empire \$233,173,038 compared with \$198,165,842. Imports from the United States were appraised at \$487,328,980, the peak year since 1930-31 when the value was \$584,407,018. In 1936-37 the value of imports from the United States was \$393,720,662. The value of imports from the United Kingdom also reached the high for some years, the value being \$144,978,493 compared with \$129,507,885 in 1936-37 and \$149,497,392 in 1930-31.

Imports from the Straits Settlements were valued at \$15,586,482 compared with \$10,540,669; Australia, \$12,164,872 compared with \$9,469,823; Germany \$11,397,388 compared with \$11,683,528; British India, \$9,405,298 compared with \$8,325,955; British South Africa, \$8,393,923 compared with \$1,459,229; Belgium, \$7,462,052 compared with \$6,695,533; New Zealand, \$7,397,272 compared with \$5,376,866; France, \$6,489,351 compared with \$6,454,161; Ceylon, \$6,149,515 compared with \$3,962,468; Japan, \$5,782,416 compared with \$4,796,508; Jamaica, \$5,668,108 compared with \$5,172,905.

Other leading sources of supply were as follows, with figures for the fiscal year 1936-37 in brackets: Argentina, \$5,205,117 (\$11,724,269); Colombia, \$4,617,350 (\$4,529,017); Peru, \$4,540,979 (\$5,271,737); Switzerland, \$3,801,766 (\$2,701,255); Netherlands, \$3,547,135 (\$2,252,461); Czechoslovakia, \$3,087,848 (\$2,364,982); Barbados, \$3,141,108 (\$3,710,534); China \$3,341,243 (\$4,275,235); Italy, \$3,355,738 (\$1,722,424); British East Africa, \$3,287,710 (\$2,828,726); Venezuela, \$2,603,604 (\$1,016,621); Sweden, \$2,475,966 (\$1,836,415); Fiji, \$2,578,271 (\$2,394,641); Newfoundland \$2,596,289 (\$2,162,223); Gold Coast \$1,082,546 (\$1,091,120); British Guiana, \$5,557,529 (\$5,051,357); Spain, \$861,707 (\$1,151,253).

March Imports

Imports during March were valued at \$65,055,628 compared with \$70,990,029 in March last year and \$46,951,619 in the previous month. In comparison with the corresponding month last year imports from both Empire and Foreign countries were lower, the total from the former group dropping to \$16,849,990 from \$18,972,492 and from the latter group to \$48,205,638 from \$52,017,537.

Imports from the United States fell to \$42,910,718 from \$44,686,757 and from the United Kingdom to \$11,472,976 from \$12,924,805. New Zealand contributed the next highest amount at \$1,239,513 against \$1,341,913, followed by the Straits Settlements with \$819,715 compared with \$854,392; Australia, \$729,267 against \$570,835; British India \$716,650 against \$1,080,485; Germany, \$657,780 against \$940,476; France, \$535,878 against \$685,028.

Export of Meats

The March export of meats increased over the February total but recorded decline from March, 1937. The total in the latest month was \$3,265,953 compared with \$2,901,109 in the previous month and \$4,028,674 in March, 1937. The United Kingdom continued to be by far the largest purchaser, the total to that country being \$3,014,027. Bacon and hams were exported to the value of \$2,837,219, largely to the United Kingdom. In the previous month the total of bacon and hams was \$2,479,190 and in March last year, \$3,252,566.

During the fiscal year ended March 31 the value of exported meats was \$41,362,775 compared with \$36,114,497 in the previous 12 months. The value of bacon and hams sent abroad in 1937-38 was \$33,404,206 compared with \$28,801,291 in 1936-37. Fresh beef was worth \$1,207,021 compared with \$833,605; pork, \$2,290,594 against \$1,936,265; soups, \$1,473,603 against \$1,655,319; poultry, \$715,434 against \$884,562.

Butter Imports

A large increase was recorded in butter imports during March, the total being 3,794,050 pounds valued at \$1,011,194 compared with 942,472 at \$264,983 in the previous month and 17,932 at \$3,729 in March, 1937. New Zealand contributed 1,919,207 pounds, Australia 1,008,000, the United Kingdom 865,480 and the remainder from the United States. The imports during February and March this year totalled 4,736,522 pounds, accounting for a large part of the total imports made during the fiscal year 1937-38; imports during the fiscal year just ended totalled 4,914,890 pounds compared with 112,745 in the previous twelve months.

Exports of Canadian Asbestos

The exports of Canadian asbestos in March amounted to 10,371 tons valued at \$675,362 compared with 7,913 at \$427,986 in the previous month and 13,612 at \$727,813 in March, 1937. The total to the United States was 4,763 tons, Japan 1,949, Germany 898, Italy 754, China 500, Australia 428 and the United Kingdom 422. Total shipments during the 12 months ended March were 192,967 tons valued at \$10,930,264 compared with 140,804 at \$7,602,623 in the previous fiscal year.

Export shipments of asbestos sand and waste in March were 6,642 tons valued at \$113,598 compared with 5,120 at \$93,315 in February and 20,281 worth \$352,513 in March, 1937. The United States took the bulk in the latest month. Fiscal year exports aggregated 168,011 tons valued at \$2,791,130 compared with 180,183 at \$2,966,679 in 1936-37. Asbestos manufactures were exported to the value of \$288,225 during the latest fiscal year compared with \$224,394 in 1937-38.

Rubber Exports

Rubber exports in March totalled in value \$1,361,244 compared with \$859,469 in February and \$1,864,217 in March, 1937. The value of pneumatic tire casings exported in March this year was \$702,836 compared with \$453,798 in February and \$1,058,154 a year ago. There were 68 markets for these casings, New Zealand leading with \$111,068, Sweden \$73,497, Brazil \$60,163, British South Africa \$48,452 and Venezuela \$38,409. The value of boots and shoes of rubber, including canvas shoes with rubber soles was \$358,539 compared with \$204,828 in February and \$445,109 in March, 1937. The total to the United Kingdom in March this year was \$174,986 and New Zealand \$130,610.

Retail Sales in March

Retail sales in Canada gained 15 per cent in March over February, but were 3 per cent lower than in March a year ago, according to calculations based on returns secured from a representative number of retail firms in 13 different lines of business. The general index on the base 1930 equals 100 was 71.8 for March, 62.4 for February and 73.7 for March, 1937. The 3 per cent decline from March last year is due to the fact that Easter fell as early as March 28 last year, concentrating Easter business entirely in March. The holiday occurred on April 17 this year with the result that the larger part of the Easter buying was done in April.

Wholesale Trade in March

The dollar value of wholesale trade was four per cent lower in March this year than last, according to statements of sales received from some 200 wholesale firms comprising nine different lines of business. The decline from March last year is a continuation of earlier decreases of 2.8 per cent in February and 2.5 per cent in January with the result that sales for the first quarter of the current year were three per cent below the amount recorded for the same period in 1937. The composite index for the nine lines of business on the base, average monthly sales in 1930 equals 100, stands at 87.8 for March this year, 71.7 for February and 91.4 for March, 1937.

Country General Store Sales

Country general store sales were maintained at a slightly higher level in March this year than last, dollar volume of business for more than 700 reporting firms averaging 0.5 per cent above the amount recorded a year ago. Quebec reported an increase of 8 per cent over March last year and Manitoba was up by 5 per cent. An increase of 4 per cent in the eastern section of Ontario was modified by a smaller gain of 2 per cent in the western parts and a decline of one per cent in the Northern, resulting in a net gain of 2 per cent for the province as a whole. Sales in British Columbia remained unchanged from a year ago. Declines below March, 1937, were reported for the other provinces, amounting to 2 per cent for the Maritimes and Alberta and 8 per cent in Saskatchewan.

Cost of Living

A slight upward tendency in foods, partially offset by a minor reduction in fuels, resulted in a small advance in the Dominion Bureau of Statistics cost of living index from 84.2 in March to 84.3 in April. This was 2.3 per cent above the level of the corresponding month last year and 10 per cent higher than the depression low point in 1933.

New Motor Vehicle Sales

New motor vehicle sales in March showed a decline of 25.2 per cent in number and 19.3 per cent in value compared with sales in the corresponding month last year. Sales of passenger cars, trucks and buses totalled 12,321 in March this year with a value of \$13,504,044, while sales last year numbered 16,479 at \$16,723,345. Total sales during the first three months this year were 26,235 units valued at \$29,065,326 compared with 34,338 at \$34,803,452 in the same period last year.

Stocks of Canned Fruits and Vegetables

The stocks of canned fruits and vegetables in Canada on April 1 this year were computed at 1,352,054 cases compared with 1,735,033 on January 1 and 1,407,296 on the first of October, 1937. Canned vegetables on hand on the latest date amounted to 7,119,687 cases compared with 8,876,680 on January 1 and 10,773,919 at the beginning of October, 1937.

Beckkeepers' and Poultrymen's Supplies

A sharp increase was recorded in the value of products made by firms included in the beekeepers' and poultrymen's supply industry during 1937, amounting to \$235,250 compared with \$147,095 in 1936. The eight firms included were engaged wholly or chiefly in the manufacture of incubators, hives and other supplies; it should be noted that relatively small quantities of beekeepers' supplies are also made in other industries as side lines.

Estimated Forest Production

It has been estimated that 2,702,766,000 cubic feet of standing timber were cut in Canada during 1936 compared with 2,440,809,000 in 1935. The value in 1936 was placed at \$134,804,228 compared with \$115,461,779. The cut of logs and bolts during the year was 875,321,000 cubic feet; firewood, 842,650,000; pulpwood, 819,240,000; hewn ties, 70,308,000; posts, 30,018,000; fence rails, 15,315,000; round mining timber, 7,784,000; poles, 6,001,000.

The province of Quebec headed the list in forest production in 1936 with a total cut of standing timber of 931,505,000 cubic feet. British Columbia was next with 670,948,000; Ontario, 558,792,000; New Brunswick, 161,560,000; Nova Scotia, 121,446,000; Alberta, 101,474,000; Saskatchewan, 77,267,000; Manitoba, 67,224,000 and Prince Edward Island, 12,550,000.

The depletion in 1936 of Canada's forest resources was estimated at considerably more than 3,550,000,000 cubic feet. This total includes the cutting of 2,702,766,000 cubic feet of standing timber, the loss incurred by insects, fungi and windfall of 700,000,000 cubic feet and the 10-year average loss by fire of 267,000,000 cubic feet of salable timber and the young growth on 848,379 acres.

March Coal Output

Coal production in Canada during March amounted to 1,222,089 tons compared with 1,109,806 in March last year, and the five-year average for the month of 1,006,688 tons. Bituminous coal output in the latest month totalled 931,997 tons, sub-bituminous 86,375 and lignite 203,717 tons. Total output of coal during the first quarter of this year was 4,057,944 tons compared with 3,891,923 in the corresponding three months of 1937.

Canada imported 497,612 tons of coal in March this year, representing a decline of 20.1 per cent from last year's import and 13 per cent from March 1933-1937 average for the month. Exports of Canadian coal were recorded at 28,012 tons compared with 40,848 a year ago, and the five-year average, 29,441. Coal made available for consumption totalled 1,691,689 tons compared with 1,692,029 in March, 1937.

Reports Issued During the Week

1. Summary of Monthly Railway Traffic Reports, 1937 (25 cents).
 2. Manufactures of the Non-Metallic Minerals, 1936 (10 cents).
 3. Coal and Coke Statistics, March (10 cents).
 4. Estimate of Forest Production; Operations in the Woods, 1936 (15 cents).
 5. Imports from Empire and Foreign Countries, March (10 cents).
 6. Annual Survey of Education, 1936 (50 cents).
 7. Price Movements, April (10 cents).
 8. Production and Value of Honey and Beeswax, 1937 (10 cents).
 9. Canadian Grain Statistics (10 cents).
 10. Wholesale Trade, March (10 cents).
 11. Canadian Milling Statistics, March (10 cents).
 12. Sugar Report - April 2 to April 23 (10 cents).
 13. Review of Canada's Foreign Trade, Calendar Year 1937 (25 cents).
 14. Beekeepers' and Poultrymen's Supply Industry, 1937 (10 cents).
 15. Index Numbers of Wholesale Prices (10 cents).
 16. New Motor Vehicle Sales, March (10 cents).
 17. Stocks of Canned Fruits and Vegetables, April 1 (10 cents).
 18. Butter, Cheese and Eggs in Cold Storage (10 cents).
 19. Summary of Imports, March (10 cents).
 20. Car Loadings (10 cents).
 21. Value of Agricultural Production and Value of Farm Capital (10 cents).
 22. Retail Sales in Country General Stores, March (10 cents).
 23. April Employment Situation (10 cents).
 24. The Fur Goods and Fur Dressing Industries, 1936 (25 cents).
 25. The Asbestos Trade of Canada, March (10 cents).
 26. Exports of Rubber and Insulated Wire and Cable, March (10 cents).
 27. Domestic Exports to Empire and Foreign Countries, March (10 cents).
 28. Imports of Milk and Its Products and Eggs, March (10 cents).
 29. Exports of Meats, Lard and Sausage Casings, March (10 cents).
 30. Security Prices and Foreign Exchange (10 cents).
 31. Retail Sales in Canada, March (10 cents).
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