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Weekly Review of Economic Conditions

The six prominent factors indicating the trend of economic conditions averaged slightly lower in the first week of May than in the preceding week. Carloadings and capitalized bond yields recorded gains while the other four factors were at a somewhat lower position.

Capitalized bond yields alone of the six factors showed a gain over the same week of 1937. Carloadings and wholesale prices recorded declines of $10\frac{1}{2}$ p.c. and 5 p.c., respectively. The decline in common stock prices was nearly 25 p.c.

The railway freight movement made a better showing in the 17th week ended April 30. From the preceding week the adjusted index rose one point to 75.4, improvement in the Western Division accounting for the advance. The freight movement in the first 17 weeks showed a decline of more than 50,000 cars from the same period of the preceding year, pulpwood and ore having been moved in greater volume.

The recent recession in wholesale prices was at a somewhat sharper angle than in the same period of 1937. The deficit from the same week of last year amounted to nearly 5 p.c. Declines were shown in four of the eight groups of the official classification. The index receded $\frac{1}{2}$ point to 81.0 in the week of May 6. The decline in wheat prices had an important influence on the index, the average for No. 1 Manitoba Northern having been $118\frac{1}{2}$ against 126 1-8. Oats and barley among the coarse grains showed advances while flax and rye entered into lower territory.

Electrolytic copper advanced from £42 5s on May 3, to £43 on the 10th. Important gains were also shown in tin, lead and zinc. Export copper advanced from $9.62\frac{1}{2}$ to 9.78 and considerable increase was shown in tin. A concession was made in the price of zinc, which dropped to 4 - 4.15 on May 10th. Recession was shown in cotton middlings and print cloths on the New York market. Bacon hogs were fully maintained on the Toronto stockyards, while cattle prices moved up from 5.69 to 5.79.

High-grade bond prices showed a further advance in the week of May 5, reaching a new high point for recent years. British Consols in London and United States Government bonds also recorded increases over the preceding week. The $4\frac{1}{2}$'s of 1946 advanced from 112 on May 3 to $112\frac{1}{4}$ on the 10th, and the 4's of 1947-52 moved up from $108\frac{1}{4}$ to $108\frac{1}{2}$.

Common stock prices showed reaction following the rally of four weeks duration. The deficit from the same week of last year now stands at nearly 25 p.c. The index in the month under review was 99.3 against 131.9 in the same week of 1937. Out of the nine industrial groups, seven recorded recessions from the preceding week, textiles being maintained and a slight advance being recorded in food products. The index of 15 power and traction stocks receded from 62.3 to 60.7.

The economic index based on the above-mentioned factors stood at 108.8 in the first week of May, against 109.6 in the preceding week. Four of the major factors showed recession while minor advances were recorded in carloadings and capitalized bond yields. The decline in the economic index from the same week of 1937 was nearly 2 p.c., the standing at that time having been 110.9. Capitalized bond yields were at a much higher point than in the same week of last year, while the other factors recorded decline of varying proportions.

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 8, 1938	84.3	85.2	138.1	104.4	131.9	277.4	110.9
April 30, 1938	74.4	81.5	160.8	94.5	101.3	112.0	109.6
May 7, 1938	75.4	81.0	161.0	91.1	99.3	72.4	108.8

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.

April Exports

According to preliminary figures released by the Dominion Bureau of Statistics, the value of Canada's domestic exports in April was \$51,249,000 compared with \$65,517,000 in April last year, a decline of \$14,268,000. The value of re-exported foreign commodities jumped to \$5,004,000 this year from \$1,391,000 in April, 1937. Gold held under earmark at the Bank of Canada was increased by 131,616 fine ounces during April; there were no additions to the amount of earmarked gold in the same month of 1937.

The principal items exported in April this year follow, with figures for April 1937 in brackets: newsprint, \$7,979,896 (\$9,217,217); partially manufactured copper, \$3,626,438 (\$3,640,666); unmanufactured nickel, \$3,197,392 (\$3,289,230); meats, \$2,752,291 (\$2,825,995); wheat, \$2,052,224 (\$5,011,276); planks and boards, \$1,876,021 (\$2,544,336); wood pulp, \$1,813,017 (\$2,817,801); automobiles and parts, \$1,868,811 (\$2,355,069); wheat flour, \$1,050,034 (\$1,688,655); furs, \$413,000 (\$925,585); cheese, \$253,044 (\$108,140).

Domestic Exports of Wheat and Flour

Domestic exports of wheat in April amounted to 1,617,703 bushels of the value of \$2,052,224 compared with 3,617,803 bushels worth \$5,011,276 in April last year. Export shipments of wheat flour totalled \$184,703 barrels valued at \$1,050,034 compared with 285,724 at \$1,688,655 in April, 1937.

April Export of Coarse Grains

Barley and oats were exported in greater quantities in April this year than in April, 1937, the increase being most noteworthy in barley shipments. The amount of barley exported was 279,929 bushels valued at \$180,921 compared with 16,410 valued at \$13,946, and oats 91,935 bushels valued at \$48,593 compared with 44,220 worth \$27,726. No rye was exported during the month. The United Kingdom took 279,595 bushels of barley and 51,439 bushels of oats during April this year.

Meat Imports

The value of meats imported during March was \$83,536 compared with \$90,966 in February and \$74,633 in March, 1937. Canned beef, barrelled pork in brine and extracts of meats and fluid beef were the leading imports. Total imports of meat during the fiscal year ended March were \$1,260,157 compared with \$1,147,349 in the previous twelve months.

Imports of Petroleum

Imports of crude petroleum in March increased to 61,048,207 gallons valued at \$1,946,053 from the total for the previous month of 40,285,807 worth \$1,269,700; in March last year the total was 50,483,343 valued at \$1,771,658. The bulk of the March import came from the United States, amounting to 49,210,115 gallons; Venezuela supplied 7,447,020 gallons; Peru 4,391,072. Total imports of crude petroleum during the twelve months ended March were 1,345,955 gallons compared with 1,233,525,218 in the previous fiscal year.

Imports and Exports of Fruit

Fresh fruits were imported to the value of \$1,128,726 in March compared with \$760,750 in February and \$1,411,065 in March, 1937. The amount from the United States was \$1,021,885. Oranges, mandarines and tangerines accounted for approximately half of the total. Grapefruit imports totalled \$165,776 and bananas \$142,400. Imports of canned and preserved fruits were worth \$102,170 compared with \$55,531 in February and \$131,353 in March last year. Olives in brine totalled \$46,443, largely from Spain and the United States; canned pineapples, chiefly from the Straits Settlements, were worth \$25,435.

Domestic exports of fresh fruits in March were appraised at \$281,016 compared with \$849,522 in February and \$199,390 in March, 1937. The United Kingdom was the chief purchaser. Apples accounted for \$275,388. Domestic exports of canned and preserved fruits included apples to the value of \$46,572, pears \$21,673 and other canned fruits \$21,669.

Imports of Coffee

Imports of green coffee in March amounted to 5,091,090 pounds valued at \$421,181 compared with 2,643,913 at \$222,202 in February and 4,178,863 worth \$433,907 in March last year. British East Africa contributed 2,118,492 pounds, Jamaica 936,621, Brazil 825,027, Colombia 751,005, the United Kingdom 161,116 and Guatemala 132,885.

Tea Imports

March imports of tea aggregated 3,584,798 pounds compared with 2,354,831 in February and 4,885,080 in March, 1937. British India supplied 1,350,960 pounds, United Kingdom 1,009,043, Ceylon 907,486, Japan 197,793 and China 21,196.

Imported Automobiles and Parts

March imports of automobiles included 1,840 passenger models valued at \$1,302,582 compared with 1,740 at \$1,269,328 in March last year; 210 freight autos worth \$220,390 compared with 337 at \$294,446; and 8 passenger buses valued at \$52,217 against 28 at \$213,173. Imported automobile parts were valued at \$3,670,000 compared with \$2,487,000 in March, 1937. The automobiles and parts came mainly from the United States.

Imports of Raw Rubber

Raw rubber imports amounted to 4,756,505 pounds in March, the value being \$683,685, compared with 5,851,745 valued at \$1,185,486 in March last year. The Straits Settlements continued to be the leading source of supply with a total of 2,989,494 pounds, followed by the United States with 1,392,411, Ceylon 363,414 and Dutch East Indies 11,186. Total imports of raw rubber during the fiscal year ended March this year were 78,780,215 pounds compared with 62,529,499 the year before.

Imported Farm Implements and Machinery

Substantially increased imports in March of internal combustion traction engines for farm purposes were shown compared with March last year. There were 1,994 units imported to the value of \$1,569,160 in March this year compared with 1,066 at \$980,193. These came largely from the United States. Parts for traction engines were valued at \$383,858 compared with \$306,716. Total imports of farm implements and machinery in March were valued at \$2,475,286 compared with \$1,747,318 a year ago. Aggregate imports during the 12 months ended March were almost doubled, amounting to \$19,245,768 compared with \$10,803,750 in the previous twelve months.

Imported Vegetable Oils

Vegetable oils were imported to the value of \$1,494,073 in March against \$772,987 in February and \$1,732,276 in March, 1937. Total imports during the twelve months ended March were \$15,828,491 compared with \$12,686,869 in the previous twelve months.

Living Animals Imported

Considerably increased imports of horses, rabbits, newly hatched chickens, cattle and animals for exhibition purposes were recorded in March compared with the corresponding month last year. The total value of living animals imported during the month was \$48,824 compared with \$16,983 the month before and \$20,841 in March, 1937. The United States was the chief contributor. There were 77 horses valued at \$21,710 imported compared with 36 at \$7,505 a year ago; 8 cattle at \$3,980 against 3 valued at \$650; 21 rabbits at \$9,646 against nil; 7,639 newly hatched chickens valued at \$1,358 against 4,009 at \$615; and animals for exhibition purposes valued at \$1,832 against \$200. Total imports of living animals during the fiscal year 1937-38 were valued at \$1,402,697 compared

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with \$812,702 the year before. Increased imports of animals for exhibition purposes accounted for a large part of this gain, the total being \$628,679 compared with \$149,641.

Hides and Skins

Mainly as a result of decreased imports of cattle hides and sheep skins, the total value of hides and skins imported during March fell to \$283,376 from the total for March last year of \$549,052. Total imports of hides and skins during the fiscal year were valued at \$5,457,361, slightly higher than in the previous twelve months.

Domestic exports of hides and skins were valued at \$162,667 in March compared with \$380,934 a year ago. Decreased exports of cattle hides and skins accounted for a large part of the decline. Fiscal year domestic exports were valued at \$3,272,569 compared with \$3,988,888 in 1936-37.

Leather Footwear Trade

Imports of leather footwear were valued at \$155,162 in March compared with \$123,124 in February and \$133,038 in March, 1937. Men's boots and shoes came chiefly from the United Kingdom and those for women mainly from the United States. Total imports during the fiscal year ended March were worth \$1,290,052 compared with \$998,971 in the previous fiscal year.

Domestic exports of leather footwear in March totalled in value \$76,754 compared with \$27,924 in February and \$56,938 in March, 1937. The United Kingdom, New Zealand and Jamaica were the leading purchasers. Total exports during the fiscal year were worth \$801,113 compared with \$567,796 in 1936-37.

Fertilizers in March

A large gain was shown in the imports of fertilizers in March, amounting to 304,730 cwt. of the value of \$225,226 compared with 84,587 valued at \$63,609 in the previous month and 69,737 at \$74,578 in March last year. Most of this came from the United States. The large gain was in superphosphate, increasing to 170,520 cwt. from 50,498 the month before and 25,640 last year. Total imports of fertilizers during the fiscal year 1937-38 were 6,650,338 cwt. worth \$4,098,711 compared with 5,414,006 at \$3,076,236 the year before.

Domestic exports of fertilizers during March amounted to 1,061,452 cwt. valued at \$1,308,777 compared with 643,461 at \$773,209 in February and 1,033,562 at \$1,254,870 in March, 1937. Purchases by the United States totalled \$1,114,679 and Hawaii \$121,055. Cyanamid and ammonium sulphate were the leading items. Total exports of fertilizers during the fiscal year 1937-38 were 5,985,804 cwt. worth \$7,372,686 compared with 5,640,920 at \$6,645,139 the year previous.

Imports and Exports of Fresh Vegetables

Fresh vegetables were imported to the value of \$852,441 in March compared with \$487,113 in February and \$902,911 in March, 1937. The amount from the United States was worth \$686,607. Fresh tomatoes, onions, celery, lettuce, cabbage, carrots, green beans, spinach, cauliflower and green peas were the chief varieties. Tomatoes from Mexico were valued at \$88,762.

Domestic exports of fresh vegetables, exclusive of seed potatoes, amounted in value to \$132,630 in March, the United States taking the bulk. In the previous month exports totalled \$123,664 and in March last year, \$176,429. The export of turnips accounted for a total of \$106,715. Exports of government certified seed potatoes amounted to 100,915 bushels valued at \$56,586 compared with 13,342 at \$10,789 in February and 61,422 at \$78,618 in March, 1937.

March Imports of Paper

March imports of paper were valued at \$782,780 compared with \$591,556 the month before and \$791,522 in the corresponding month last year. The total from the United States in March this year was \$631,038. Total imports of paper during the fiscal year ended March were of the value of \$7,984,806 compared with \$7,060,499 in the previous fiscal year.

Imports of Alumina

Imports of alumina, including bauxite ore, amounted to 155,828 cwt. valued at \$193,552 in March compared with 149,945 at \$155,793 in February and 273,704 at \$287,844 in March, 1937. The import in March this year came entirely from the United States.

Imports of Lumber and Timber

March imports of lumber and timber amounted to 10,727,000 feet of the value of \$401,207 compared with 6,647,000 at \$257,353 in the previous month and 12,709,000 worth \$522,312 in March, 1937. The import from the United States in March this year was 10,667,000 feet. Total imports during the 12 months ended March were 113,903,000 feet valued at \$4,459,866 compared with 100,661,000 at \$3,995,014 in the previous fiscal year.

Gold Production in March

Canada's gold production established a new high monthly record in March when 376,023 ounces were produced. In February, 340,838 ounces were produced, while in March 1937, the output was 326,275 ounces. During the first quarter of 1938 the Canadian production totalled 1,077,947 ounces, an advance of 11.7 per cent over the corresponding three months of 1937.

Production in Ontario in March amounted to 235,235 ounces, consisting of 102,587 ounces from the Porcupine camp, 86,000 from the Kirkland Lake field and 46,648 from other sources. In the previous month the Porcupine camp produced 93,249 ounces, Kirkland Lake area 73,704, and other sources 43,495. Quebec operators reported an output of 72,376 ounces compared with 70,879 in February.

Output from British Columbia sources rose to 46,773 ounces from the February output of 40,657 ounces. Manitoba and Saskatchewan produced 19,153 ounces, representing an increase of 9 per cent over the previous month. Shipments of gold to the Royal Canadian Mint by Nova Scotia operators were recorded at 2,486 ounces in March compared with 1,278 in February. No alluvial gold was produced in the Yukon during the month. The Royal Canadian Mint received jewellery and scrap containing 1,006 ounces of gold in March.

The average price of gold in March was \$35.05 per ounce in Canadian funds; valued at this price the March output was worth \$13,179,606. In the previous month the average price was \$35.00 per ounce and the computed value of the month's production was \$11,929,330.

Production of Cement

Shipments of Portland cement by Canadian producers in February rose to 143,446 barrels from the total for the previous month of 132,263 barrels, and the total for February, 1937, of 101,171. Production during the first two months this year amounted to 275,709 barrels, an advance of 38.9 per cent over the quantity shipped in the same months of 1937.

Sales of Clay Products

Sales of clay and products were valued at \$147,515 in February compared with \$145,451 in the previous month and \$127,313 in the same month last year. Sales during the two months, January and February this year, advanced 11.4 per cent over the same months of 1937, amounting to \$292,966 compared with \$262,961.

Shipments of Lime

Shipments of lime from kilns in Canada amounted to 32,424 tons in February compared with 32,633 in January and 39,979 in February, 1937. Total shipments during January and February this year were 65,057 tons compared with 78,356 in the same months last year.

Production of Asbestos

Canadian producers shipped 22,281 tons of asbestos during March compared with 12,177 in the previous month and 32,746 in March, 1937. Total shipments during the first quarter this year were 51,303 tons compared with 82,501 in the first quarter of 1937.

Copper Production

Copper production in Canada during March amounted to 48,089,283 pounds from the preceding month's total of 46,835,955 pounds, and the March 1937 output of 41,796,786. During the first three months this year production totalled 147,379,373 pounds compared with 117,504,602 during the first quarter of 1937. Quotations for copper on the London market in March averaged 9.725 cents per pound; valued at this price the Canadian output was worth \$4,674,226.

Nickel Output

Nickel production in Canada during March amounted to 17,298,398 pounds compared with 16,008,523 in February and 18,193,641 in March, 1937. Output during the first quarter of 1938 totalled 53,577,601 pounds, an increase of 3.6 per cent over the production in the first quarter of 1937.

Gypsum Production

The Canadian production of gypsum in February amounted to 5,517 tons compared with 6,159 tons in January and 4,827 in February, 1937. Output during the first two months this year aggregated 11,676 tons compared with 13,300 in the same period of 1937.

Output of Feldspar

Shipments of feldspar by Canadian producers during February amounted to 705 tons compared with 1,341 in the previous month and 1,538 in the corresponding month last year. Production during January and February this year amounted to 2,046 tons compared with 2,715 in the same two months of 1937.

Production of Commercial Salt

Canadian producers shipped 12,205 tons of salt during February compared with 11,575 in the previous month and 11,706 in February, 1937. Shipments during the first two months this year totalled 23,780 tons compared with 23,616 in January and February, 1937.

Production of Steel Ingots

Production of steel ingots in Canada during April was reported at 110,878 long tons compared with 113,805 in March and 114,930 in April, 1937.

Sand and Gravel Industry

Commercial production of sand and gravel in Canada during 1936, including that obtained by dredging, totalled 22,124,160 short tons valued at \$6,921,399, an increase of 4.3 per cent in tonnage and 8.3 per cent in value over 1935. Ontario properties accounted for 38.4 per cent of the total, Quebec 24.8, Nova Scotia 8.5, Manitoba 8.3 and British Columbia 7.9.

Output of Leather Footwear

The output of leather footwear in March amounted to 2,109,456 pairs, an increase of 332,116 pairs over the preceding month, but a decrease of 277,668 pairs from the March 1937 total. This is the third consecutive month to record a decrease from the corresponding month of 1937. The total output of leather footwear for the three months ended March was 5,348,425 pairs compared with 5,798,641 in the same period of 1937.

Wheat Stocks in Store

Canadian wheat in store for the week ending May 6 decreased 2,260,995 bushels from the previous week and 28,842,453 from the corresponding week last year. The amount reported in store on the latest date was 39,482,993 bushels compared with 41,743,988 in the previous week and 68,325,446 a year ago. Stocks of Canadian wheat in the United States amounted to 706,000 bushels compared with 715,000 the week before and 9,655,334 last year. Wheat in rail transit totalled 2,914,474 bushels and the amount in transit on the lakes was 2,101,215 bushels compared with 5,089,778 and 3,101,522 bushels for the corresponding week last year, respectively. United States wheat in Canada amounted to 823,493 bushels during the week of May 6; a year ago the amount was 39,979 bushels.

Overseas Export Clearances of Wheat

Overseas export clearances of wheat during the week ended May 6 amounted to 495,023 bushels compared with 825,688 in the previous week and 2,434,500 in the same week last year. Imports of Canadian wheat into the United States for consumption and milling in bond for re-export were recorded at 2,000 bushels compared with 1,000 in the previous week and 345,000 in the corresponding week last year. Aggregate overseas export clearances from August 1 to May 6 were 59,021,788 bushels compared with 114,716,900 in the corresponding period of the previous crop year; imports of Canadian wheat into the United States were 2,026,983 bushels compared with 38,611,303.

Primary Movement of Wheat

Wheat marketings in the Prairie Provinces for the week ending May 6 amounted to 688,700 bushels compared with 1,168,120 in the previous week and 757,888 in the corresponding week last year. Total marketings during the forty weeks ending May 6 were 116,465,314 bushels compared with 155,267,869 in the corresponding period of the previous crop year.

Farmers' Intentions to Plant

A decrease of nearly 1.4 million acres in the area sown to spring grains in Canada in 1938 was indicated by farmer's intentions as at May 1. The intended area of spring wheat was 24,105,900 acres compared with 24,851,400 in 1937 and 26,646,100 in the peak year, 1932. The indicated decrease in spring wheat area from that of last year was 745,500 acres, or 3 per cent. The principal decrease will occur in Saskatchewan, while increases were indicated in Manitoba and Alberta. Durum wheat acreage will be decreased considerably from 2,322,000 acres sown in 1937 to 1,693,000 intended for 1937. This decrease will take place mainly in Manitoba where it will be more than offset by an increase in the sowing of rust-resistant bread wheats.

Oats and barley are also expected to show decreases of 3 and 5 per cent, respectively, with the principal reductions occurring in Saskatchewan. Barley acreage in Ontario will be moderately reduced. Spring rye will show a decrease of 16,600 acres, or 9 per cent, and flaxseed a reduction of 48,600 acres or 20 per cent. The area sown to mixed grains will remain normal in eastern Canada, while showing a moderate reduction in the western provinces. Potato acreage will be reduced in nearly every province to a total level 20,200 acres or 4 per cent less than that of a year ago, if farmers' present intentions are realized.

April Canal Traffic

There was no rush of iron ore down from Lake Superior in April such as occurred in April last year, amounting to 206,104 tons compared with 3,194,251 a year ago. Grain shipments included 6,138,817 bushels of wheat and 7,929,184 bushels of other grain compared with 7,561,870 and 2,514,430 bushels, respectively, in April last year. Up-bound soft coal dropped from 1,010,060 tons to 294,693, and total freight up and down on the Sault Ste. Marie Canals dropped from 4,620,385 tons to 970,671.

Total freight using the Welland Ship Canal amounted to 664,091 tons against 666,927 in April, 1937. Soft coal decreased by 138,522 tons, iron ore by 40,338 and coke by 9,863. Freight on the St. Lawrence Canals declined from 391,261 tons in April 1937 to 351,852, with navigation opening four days earlier last year. The large decreases were soft coal, wheat, iron and steel and flour. Corn, wood pulp and barley increased.

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Gross Revenues of Railways

Gross revenues of Canadian railways for February dropped to \$23,316,392 from \$24,710,362 last year and with an increase in operating expenses from \$22,198,887 to \$23,442,418, the operating income was reduced by \$2,754,660 to a debit amounting to \$1,305,153. For the two months, January and February, gross revenues were down from last year by \$2,172,564 or 4.4 per cent; operating expenses were up by \$2,564,330, or 5.7 per cent, and the operating income was reduced by \$4,919,255.

Canada's Tourist Trade

The estimated expenditures in Canada of tourists from other countries during 1937 amounted to approximately \$294,682,000 compared with \$251,299,000 in 1936, a gain of \$43,383,000 during the year. The amount estimated to have been spent by Canadian tourists in other countries was \$124,422,000 in 1937 compared with \$110,400,000 in 1936. The balance accruing to Canada on tourist trade account in 1937 was \$170,260,000 against \$140,899,000 in 1936.

Visitors from the United States spent a total of \$277,710,000 in 1937 compared with \$238,353,000, and those from other countries \$16,972,000 compared with \$12,946,000 in 1936. The major part of the tourist traffic between Canada and the United States consists of travel by motor car, the expenditures made by this class of tourist amounting to \$181,332,000 compared with \$153,509,000 in 1936.

Tourist cars entering Canada on 60-day permits, the most important class, numbered 1,383,130 in 1937, an increase of 15.9 per cent over 1936. Cars on 48-hour permits increased 8.6 per cent to 3,127,352 and those on 6-month permits increased 2.6 per cent to 1,358. Of the 1,383,130 cars on 60-day permits, 1,382,366 were from the United States, 275 from Hawaii, 64 from Alaska, 41 from Newfoundland and 126 from Mexico.

Production of Butter and Cheese

The production of creamery butter in April increased 62 per cent over the output in the previous month and approximately 7 per cent over the make of April, 1937. Output in April this year amounted to 16,313,035 pounds compared with 10,089,759 in March and 16,256,072 in April last year. Increases over the corresponding month last year were recorded in all provinces with the exception of Quebec and Saskatchewan. The most pronounced gain was shown in Alberta, where the gain was 72.6 per cent.

Cheese production declined 26 per cent in April from the April, 1937, output, but increased 161 per cent over the previous month. Production in April this year aggregated 1,787,162 pounds compared with 685,562 the month before and 2,408,362 in April, 1937. Increased production over April last year was recorded in all producing areas, with the exception of Quebec and Ontario. British Columbia had an increase of 277.6 per cent.

Business Conditions in First Quarter

The major factors reflecting economic conditions in Canada showed moderate decline during the first quarter of the present year. Owing mainly to the sharp reaction during the last quarter of 1937, the significant economic factors recently averaged considerably lower than in the first three months of that year. The index number of common stocks is now about 21 per cent below the same period of 1937, averaging 104.7 in the first quarter against 142.3 in the same period last year. Owing partly to strength in grain prices, the index of wholesale prices remained remarkably steady during the first 14 weeks this year. The monthly average during the first quarter was 83.5 against 83.2.

Despite the decline in business operations and in speculative prices, an impressive showing was made in financial factors. The index of capitalized bond yields based on Dominion issues was 152.8 against 146.2 in the first quarter of 1937. Banking operations were also favourable. The sum of notice and demand deposits averaged slightly higher this year than in 1937. While current loans have recorded a larger percentage gain, a slight increase was also shown in security holdings, reaching in the last quarter the high level of \$1,437.5 million. Current loans averaged \$740.3 million against \$691.

The index of the physical volume of business averaged 109.1 in the period under review against 116.9 in the first quarter of 1937. Each of the seven factors indicating the trend of mineral production recorded an increase in the first quarter over the same period last year. The index of mineral production rose from 162.7 to 187.8. Factors

showing the trend of manufacturing were uneven, the index receding to 103.9 this year from 118.2.

New business obtained by the construction industry during the first quarter was at a considerably lower point than in the same period of 1937. Contracts awarded at \$26.1 million showed a decline of nearly 17 per cent. The decline in building permits was of even greater dimensions, the total having been \$7.8 million against \$10.5. The output of central electric stations was less in the first quarter of 1938, the total having been 6,591 million kilowatt hours against 6,877.

In the first quarter this year, imports rose 2 per cent, the total having been \$161.7 million against \$158.5 in the first quarter of 1937. Exports on the other hand showed a decline of more than 16 per cent, declining to \$208.5 million from \$248.5. While carloadings showed a decline of $\frac{1}{2}$ per cent from the first quarter of 1937, the recession in operating revenues of the two main railways was of slight proportions.

A considerably higher level of employment was recorded in the elapsed portion of 1938 than in the same period of 1937. The gain in employment in manufacturing plants, unaffected to any important extent by relief measures was 3.4 per cent. The index obtained by averaging the first four reporting dates was 110.1 against 106.5 for the same period of 1937.

Reports Issued During the Week

1. Economic Conditions in Canada, First Quarter, 1938 (10 cents).
2. Production of Leather Footwear, March, (10 cents).
3. Sheet Metal Products Industry, 1936 (10 cents).
4. Security Prices and Foreign Exchange (10 cents).
5. Copper and Nickel Production, March (10 cents).
6. Asbestos Production, March (10 cents).
7. Cement, Clay Products and Lime Production, February (10 cents).
8. Gold Production, March (10 cents).
9. Feldspar and Salt Production, February (10 cents).
10. Gypsum Production, February (10 cents).
11. Cooking and Heating Apparatus Industry, 1936 (10 cents).
12. Canada's Leading Mineral Products, February (10 cents).
13. Operating Revenues, Expenses and Statistics of Railways, February (10 cents).
14. Summary of Canal Traffic, April (10 cents).
15. Canada's Tourist Trade, 1937 (25 cents).
16. Canadian Grain Statistics (10 cents).
17. Annual Statistics of Fruit, Nursery Stock and Floriculture, 1937 (10 cents).
18. Imports of Paints and Varnishes, March (10 cents).
19. Imports and Exports of Pipes, Tubes and Fittings, March (10 cents).
20. Imports and Exports of Toilet Preparations, March (10 cents).
21. Imports of Stoves, Sheet Metal Products, Refrigerators, March (10 cents).
22. Imports and Exports of Fertilizers, March (10 cents).
23. Trade Trends with Empire Countries, March (10 cents).
24. Imports of Living Animals, March (10 cents).
25. Imports of Vehicles of Iron, March (10 cents).
26. Imports of Farm Implements and Machinery, March (10 cents).
27. Imports and Exports of Canned and Preserved Fruits, March (10 cents).
28. Imports and Exports of Fresh Fruits, March (10 cents).
29. Imports and Exports of Vegetables Oils, March (10 cents).
30. Imports of Meats, Lard and Sausage Casings, March (10 cents).
31. Imports of Petroleum and Its Products, March (10 cents).
32. Imports and Exports of Hides and Skins, March (10 cents).
33. Imports of Non-Ferrous Ores and Smelter Products, March (10 cents).
34. Summary of Exports of Grains and Flour, April (10 cents).
33. Imports and Exports of Fresh Vegetables, March (10 cents).
34. Imports and Exports of Pickles and Preserved Vegetables, March (10 cents).
35. Imports of Pulp Wood, Wood Pulp and Paper, March (10 cents).
36. Weekly Index Numbers of Wholesale Prices (10 cents).
37. Review of Dairy Production, April (10 cents).
38. Stocks of Canadian Fruit and Vegetables, May 1 (10 cents).
39. Stocks of Dairy and Poultry Products, May 1 (10 cents).
40. Cold Storage Holdings of Meat and Fish, May 1 (10 cents).
41. Intentions to Plant Field Crops, Winter-Killing and Spring Condition of Fall Wheat, Fall Rye and Hay and Clover Meadows. Progress of Spring Seeding (10 cents).
42. Monthly Review of Business Statistics, April (10 cents).
43. Imports and Exports of Wire, March (10 cents).
44. Imports of Lumber, March (10 cents).
45. Imports and Exports of Soap, March (10 cents).
46. Imports of Rubber, March " " .
47. Footwear Trade, March (10 cents).
48. Imports of Coffee and Tea, March (10 cents).
49. Sand and Gravel Industry, 1936 (10 cents).
50. Car Loadings (10 cents).

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