

WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce

Vol. VI - No. 21

Ottawa, Saturday, May 21, 1938

Price \$1.00 per Year

Weekly Review of Economic Conditions

Three of the six factors indicating the trend of economic conditions recorded an advance in the second week of May over the preceding week. Capitalized bond yields moved into the highest position for recent years while gains were shown in common stock prices and in the number of shares traded on the stock exchanges. Minor declines were shown in carloadings and wholesale prices, while the adjusted index of bank clearings dropped to a considerably lower point.

Five of the six major factors recorded decline from the same week of 1937, the drop in carloadings and wholesale prices having been 12.5 p.c. and 4.6 p.c., respectively. Common stock prices were 23.3 p.c. below the level of one year ago, while bank clearings and speculative trading were at a somewhat lower position. Capitalized bond yields rose 16 p.c. above the corresponding week.

The railway freight movement showed minor recession in the 18th week ended May 7, the index dropping from 75.4 to 75.2. A gain was shown in the eastern division while the freight movement receded considerably in the west. The grain movement during the first 18 weeks of the present year recorded a decline of 8,872 cars from the same period of 1937. Considerable declines were also shown in the movement of coal, lumber and pulp and paper.

The recession in wholesale prices continued in the week under review but greater resistance was shown in most of the groups. Crop products, iron and steel and non-ferrous metals however, showed recession, the general index dropping from 81.0 to 80.8. The decline from the same week of last year was 4.6 p.c. This deficit was shown notwithstanding the recession which occurred during the second quarter of 1937. The decline in wheat prices continued on the Winnipeg exchange while coarse grains recorded general advances. Changes in livestock prices on the Toronto stockyards were of a minor character. Metals were weak on the London exchange, electrolytic copper dropping from £43 to £41 15s. Appreciable declines were also recorded in tin, lead and zinc. Export copper on the New York market dropped from 9.78 to 9.54. Lead was maintained while zinc dropped to a minor extent.

The high-grade bond market was strong in the week ended May 12. The average yield for the week was 3 p.c. as compared with 3.01 for the preceding week. While British Consols declined in London, high-grade United States bonds were particularly strong. The Dominion 4½'s of 1947-57 rose from 111½ on May 10, to 112 on May 17. The index of capitalized yields rose to 162.1 even exceeding the high levels of September 1936.

Common stocks rallied in the week ended May 12 counterbalancing a part of the recession of the preceding week. The index moved up from 99.3 to 100.9. Only one of the nine groups in the classification showed recession. The index of 15 power and traction stocks rose from 60.7 to 61.7. The general index was 100.9 against 131.5 in the week of May 15, 1937, a decline of 23.3 p.c.

The economic index, a weighted average of the six above-mentioned factors, showed a moderate decline in the second week of May, the standing having been 107.6 against 108.8. The index of capitalized bond yields, common stocks and speculative trading recorded gains, while the other three factors entered somewhat lower territory. The decline from the same week of 1937 was 0.7 p.c. Five of the factors recorded declines, the exception being the index of capitalized bond yields.

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 15, 1937	85.9	84.7	139.7	89.7	131.5	119.3	108.4
May 7, 1938	75.4	81.0	161.0	91.1	99.3	72.4	108.8
May 14, 1938	75.2	80.8	162.1	85.6	100.9	85.8	107.6

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 for the week ending May 13 decreased 1,250,115 bushels compared with the previous week and 25,817,360 from the corresponding week last year. The amount in store was reported at 38,332,878 bushels compared with 39,482,993 the week before and 64,150,238 in the same week last year. Stocks of Canadian wheat in the United States aggregated 516,000 bushels compared with 706,000 in the previous week and 8,439,052 last year. Wheat in rail transit totalled 2,805,874 bushels and the amount in transit on the lakes was 2,357,268; these amounts compare with 3,789,239 bushels and 2,719,610 bushels for the corresponding week last year, respectively.

Production of Asphalt Roofing

The production of asphalt roofing in Canada during April included 116,108 squares of shingles, siding and surfaced roofing and 1,620 tons of felts and sheathing compared with 150,149 squares of shingles, etc. and 1,995 tons of felts and sheathing in April last year.

Output of Rigid Insulating Board

Domestic shipments of rigid insulating board in April amounted to 4,487,335 square feet compared with 4,218,810 in April, 1937. During the first four months this year 13,192,611 square feet were shipped compared with 13,741,695 in the corresponding period last year.

April Building Permits

The estimated value of construction authorized during April by 58 cities was \$4,879,867 compared with \$3,556,567 in the previous month and \$6,106,693 in April last year, an increase of 37.2 per cent compared with March, but a decline of 20.1 per cent from the corresponding month last year. Permits issued during the first four months this year were \$12,644,492 compared with \$16,634,685 in the corresponding period in 1937.

Gypsum Output in March

Production of gypsum in March amounted to 6,903 tons compared with 5,517 in the previous month and 23,352 in March, 1937. Total output during the first three months this year was 18,579 tons compared with 36,562 in the same period of 1937.

Production of Crude Petroleum

Crude petroleum and natural gasoline production set up a new high monthly record at 480,803 barrels during March, and compared with 413,158 in the previous month and 176,657 in March, 1937. Output during the first three months this year aggregated 1,351,369 barrels compared with 471,641 in the corresponding period of 1937.

Alberta operators produced 467,732 barrels in March, of which 464,066 came from the Turner Valley field, 1,405 from the Red Coulee field, 1,341 from the Wainwright-Ribstone field and 920 from the Taber field.

The Canadian production of natural gas in March amounted to 3,175,266,000 cubic feet compared with 4,010,772,000 in the previous month and 2,839,000,000 in March, 1937. Total output during the first three months this year was 11,211,974,000 cubic feet compared with 10,370,000,000 in the corresponding period last year.

April Exports of Cheese

April exports of cheese were considerably in advance of the previous month and also the corresponding month last year. The total was 16,204 cwt. compared with 8,583 in March and 6,696 in April, 1937. The United Kingdom took 13,276 cwt. and the United States 1,374.

Butter Position

The butter position during the winter period was featured by a six per cent decrease in production and a 2.6 per cent increase in the domestic disappearance over the same period a year ago. The total production was reduced to 25.7 million pounds. The domestic disappearance recorded increases of 5.1 per cent in December and 8.7 per cent in January, but a reverse situation developed in February when the disappearance fell 5.9 per cent below the same month a year ago.

The importation of nearly one million pounds of butter, principally from Australia and New Zealand, accounted in part for the sharp decline in February; and when these imports are included in the calculation, the total domestic disappearance for February would be only one-half of one per cent below that of February, 1937, and for the entire three months it would be 4.6 per cent above that of the same period of 1936-37.

Primary Movement of Wheat

Wheat marketings in the Prairie Provinces for the week ending May 13 amounted to 539,195 bushels compared with 688,700 in the previous week and 896,999 bushels in the corresponding week last year. During the forty-one weeks ended May 13 there were 117,004,417 bushels of wheat marketed compared with 156,164,868 in the corresponding period of the previous crop year.

Overseas Export Clearances of Wheat

Overseas export clearances of wheat during the week ended May 13 amounted to 761,315 bushels compared with 495,023 in the previous week and 3,521,119 in the comparable week last year; imports of Canadian wheat into the United States for consumption and milling in bond for re-export totalled 3,000 bushels compared with 2,000 the week before and 572,000 a year ago. Overseas export clearances from August 1 to May 13 were 59,783,135 bushels compared with 118,238,019 in the same period of the previous crop year; imports into the United States were 2,029,983 and 39,183,303 bushels, respectively.

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 slightly from 84.2 in March to 84.3 in April. Higher food prices, offset to some extent by a minor decline in fuel were responsible for the upward movement. Retail prices, including foods, coal, coke, clothing, household requirements, tobacco, etc., increased from 79.6 to 79.7. When foods were removed from this index it was unchanged at 80.5.

Production of Automobiles

Production of automobiles in Canada advanced 12 per cent in April over the previous month and 10 per cent over the corresponding month last year. The number made in the latest month was 18,819 units compared with 16,802 in March and 17,081 in April a year ago. In April this year 14,033 passenger cars were made and 4,786 trucks, of which 11,820 passenger cars and 3,504 trucks were made for sale in Canada. The cumulative production of automobiles during the four months was 69,311 units against 81,272 in the four months of 1937.

Production of Iron and Steel

Production of pig iron during April amounted to 65,644 tons compared with 66,228 in March and 68,138 in April, 1937. For the four months ending April the output of pig iron totalled 268,181 tons compared with 267,519 in the same period last year. April output of steel ingots and castings was 116,445 tons compared with 118,676 in March and 121,426 last year. The four-month output totalled 446,481 tons compared with 473,590 during the four months ended April, 1937.

March Production of Silver

The Canadian production of silver during March advanced to 1,698,215 ounces from the February total of 1,430,848 ounces and the March 1937 output of 1,658,546 ounces. During the first quarter of 1938 production aggregated 4,700,115 ounces compared with 4,371,855 in the same period of 1937.

Quotations for silver on the New York market averaged 44.569 cents per ounce in Canadian funds; valued at this price the Canadian output during March was worth \$756,877. In February the average price was 44.736 cents per ounce and the value of the month's output was \$640,104.

Lead Output in March

March lead production reached a total of 35,176,663 pounds compared with 26,786,559 in February and 35,207,467 in March, 1937. Output during the first three months this year aggregated 99,485,347 pounds compared with 97,824,517 in the corresponding three months of 1937.

The average price of lead on the London market in March was 3.559 cents per pound, in Canadian funds; based on this price the March production was worth \$1,251,937. February quotations averaged 3.44 cents and the value of the output during the month was \$921,458.

March Zinc Output

An advance of 15.5 per cent was recorded in the production of zinc in Canada during March when 33,515,602 pounds were produced compared with 29,025,024 pounds in the previous month and 31,116,491 in March, 1937. Total output during the first three months of this year was 97,406,233 pounds compared with 70,329,075 in the corresponding period of 1937.

Quotations for zinc on the London market averaged 3.196 cents per pound in Canadian funds; in the previous month the average was 3.218 cents. Based on these prices the Canadian production was worth \$1,071,159 and \$934,025, respectively.

Value of Commercial Fruit

The total value of commercial fruit produced in Canada during the 1937 season was \$17,481,200 compared with \$15,341,100 in 1936. The apple crop accounted for the greater portion, having been estimated at slightly under five million barrels valued at \$10,545,000. Strawberries were valued at \$2,226,100, grapes \$1,085,900, peaches \$960,400, raspberries \$959,600, pears \$538,900, cherries \$533,700 and plums and prunes \$278,100.

Departmental Store Sales

Department store sales in April were three per cent greater than in April last year, and 20 per cent in advance of the previous month. The unadjusted index on the base 1930=100 was 79.9 for April this year, 77.6 a year ago and 66.5 for March. When the April index was discounted, due to the fact that there were five Saturdays this year and only four in April last year, and also because Easter occurred in April this year and during March a year ago, it is found that departmental store sales were two per cent lower when compared with April, 1937, but were one per cent higher than in the previous month.

International Trade in Securities

The volume of Canada's international trade in securities was greater in March than for some months, aggregating \$69,094,272 compared with \$45,355,646 in February and \$61,486,894 in January. Securities trade with the United States amounted to \$54,511,059 in March against \$34,108,000 in February and \$47,570,980 in January. Security transactions between Canada and the United Kingdom increased by about 25 per cent in March over the previous month, totalling \$10,173,927 compared with \$8,165,586 in February and \$10,994,188 in January. During the first quarter of 1938, Canada's international trade in securities exceeded \$175,000,000 compared with \$379,000,000 in the same period of 1937.

Reports Issued This Week

1. Silver, Lead and Zinc Production, March (10 cents)
 2. Miscellaneous Chemical Products Industry, 1936 (10 cents)
 3. Castings and Forgings Industry, 1936 (15 cents)
 4. Building Permits, April (10 cents)
 5. Grain Situation in Argentina (10 cents)
 6. Index Numbers of Wholesale Prices (10 cents)
 7. Petroleum and Natural Gas and Gasoline Sales, March (10 cents)
 8. Gypsum Production, March (10 cents)
 9. Rigid Insulating Board Industry, April (10 cents)
 10. Production of Asphalt Roofing, April (10 cents)
 11. Sales of Asphalt Roofing, April (10 cents)
 12. Domestic Exports in April (10 cents)
 13. Production of Iron and Steel, April (10 cents)
 14. Automobile Production, April (10 cents)
 15. Canadian Grain Statistics (10 cents)
 16. Prices and Price Indexes, April (10 cents)
 17. Dairy Situation in Canada, Winter Quarter, 1937-1938 (10 cents)
 18. Preliminary Report on Departmental Store Sales, April (10 cents).
 19. Car Loadings (10 cents).
 20. Urban Earnings and Housing Accommodation, 1931 and 1936 (25 cents).
 21. Summary of Monthly Indexes of Retail Sales, 1929 - 1936 (10 cents).
 22. Sales and Purchases of Securities Between Canada and other Countries, March, (10 cents).
 23. Summary of the Trade of Canada, March (10 cents).
 24. Exports of Living Animals, April (10 cents).
 25. Exports of Milk, Milk Products and Eggs, April (10 cents).
 26. Security Prices and Foreign Exchange.
 27. Stocks and Consumption of Unmanufactured Tobacco, March (10 cents).
-

STATISTICS CANADA LIBRARY
BIBLIOTHÈQUE STATISTIQUE CANADA



1010730053