

WEEKLY BULLETIN

Dominion Bureau of Statistics
Department of Trade and Commerce

Vol. VI - No. 22

Ottawa, Saturday, May 28, 1938

Price \$1.00 per year

Weekly Review of Economic Conditions

Two of the six major factors indicating the trend of economic conditions recorded gains in the third week of May. The index of capitalized bond yields and the number of shares traded on the stock exchanges recorded gains in this comparison. Minor declines were shown in carloadings and in the index of common stock prices. The decline in the average index of bank clearings was nearly 7 per cent while wholesale prices averaged somewhat lower than in the preceding week.

Only two of the six factors used in this connection showed a gain over the same week of last year. The index of capitalized bond yields was more than 16 p.c. higher than at that time. Declines of 12.8 p.c. and 6 p.c. were shown in carloadings and wholesale prices, respectively. The deficit in bank clearings and in common stock prices was about 23 p.c. The index of shares traded recorded a considerable gain in the twelve-month comparison.

The gain in the railway freight movement in the second week of May was less than normal for the season, the index receding from 75.23 to 75.15. A gain was shown in the west while the movement was considerably reduced in the eastern division. The decline during the first 17 weeks of the year was 57,800 carloads from the same period of 1937. Only pulpwood and ore of the 11 commodity groups recorded gains in the cumulative totals for the present year.

The recession in wholesale prices in progress for six weeks was continued in the period under review, the index receding from 80.8 to 80.3. A gain was shown in non-metallic minerals, while four of the main groups of the official classification showed declines. Grain prices receded further on the Winnipeg exchange, No. 1 Northern wheat dropping from 116 $\frac{7}{8}$ to 115 $\frac{1}{8}$. Declines were general among the coarse grains, oats dropping from 51 $\frac{1}{8}$ to 49 $\frac{7}{8}$. Electrolytic copper was weak on the London metal exchange, prices on the 24th having been £38 5s against £41 15s on May 17th. Zinc was fully maintained while lead showed a considerable recession. Export copper in New York receded from 9.54 to 8.67 $\frac{1}{2}$, domestic copper also dropping one cent to nine. An increase was shown in the price of tin in sympathy with an advance on the London market. Lead reached a lower point while zinc was maintained at four cents.

Livestock prices on the Toronto stockyards were strong, advances being recorded in medium steers and bacon hogs. The decline in Canadian prices week by week for the last 7 seven weeks has been more severe than in the corresponding period of last year. The weekly index was consequently 6 p.c. below the standing of the same period twelve months ago.

High-grade bond prices reached a new high point for recent years in the week ended May 19. The average yield for the week was 2.98 as compared with 3.00 for the week of May 12. The new issue of \$140,000,000 offered by the Dominion Government on the 18th was quickly over-subscribed. Following the extremely high point reached at the beginning of last week, concessions are now being made in some issues. The 3's of 1950-55 were bid at 98 $\frac{7}{8}$ on May 25 against 99 $\frac{3}{8}$ on May 18.

Common stock prices averaged slightly lower in the week of May 19, fluctuations having been within a narrow range for the last 5 weeks. The official index of common stock prices was 100.8 on May 21 against 100.9 in the preceding week. Only three of the nine industrial groups recorded increases over the preceding week. The index of 15 power and traction stocks dropped from 61.7 to 61.4. While the level of Canadian stocks is somewhat higher than at the 1st of April, a considerable deficit is shown as compared with the same period of 1937. The index at that time stood at 131.5, the decline in the meantime having been 23.3 p.c.

The economic index based on the six major factors showed an increase of 0.4 p.c. in the week of May 21 over the preceding week. The standing was 100.8 against 107.6 in the second week of the month. Capitalized bond yields and shares traded recorded increases over the preceding week, while the other 4 factors considered in this connection showed recessions. The same factors recorded a gain over the corresponding week of 1937. The decline in the other four factors had a greater influence upon the index, which consequently showed a recession of 2.8 p.c. The standing in the week of May 22 one year ago was 111.1.

The first part of the document discusses the general principles of the law, and the second part discusses the specific facts of the case.

The court found that the defendant was liable for the damages sustained by the plaintiff.

The court awarded the plaintiff the sum of \$10,000 in damages.

The court also awarded the plaintiff the costs of the litigation.

The court's decision is based on the following findings of fact:

- The defendant acted negligently in the circumstances.
- The defendant's negligence caused the plaintiff's injury.
- The plaintiff suffered actual damages as a result of the injury.

The court concludes that the defendant is liable for the plaintiff's damages.

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
May 22, 1937	86.15	85.4	140.3	103.9	131.5	119.5	111.1
May 14, 1938	75.23	80.8	162.1	85.6	100.9	85.8	107.6
May 21, 1938	75.15	80.3	163.1	79.7	100.8	179.4	108.0

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.

Economic Conditions in April

The major factors indicating the trend of economic conditions average slightly higher in April than in the preceding month. Gains were shown in the indexes of bank deposits and of capitalized bond yields. The decline in wholesale prices was the most reactionary development, a majority of the eight groups of the official classification having shown recession. While the index of common stock prices averaged lower in April than in March, a considerable gain was recorded from the level at the beginning of the month.

A very favourable factor was the rebound in business operations. A slight increase had been shown in the index of the physical volume of business during March, and based upon preliminary calculations, a further gain was indicated in the month under review.

Eight of the nine factors showing the trend of mineral production recorded gains after seasonal adjustment. The index of copper exports moved up sharply, the decline in outward shipments being less than normal for the season. A gain of 8 points raised the index of nickel exports to 260. Notable increases were recorded in lead production and zinc exports. The index of gold shipments rose to a new high point after seasonal adjustment, extending the marked increase of the preceding month. A heavy outward movement of silver was indicated and asbestos exports and bauxite imports reflected greater activity in these industries. The coal output was about 870,000 tons against 1,222,000.

The manufacture of foodstuffs showed a slight gain, increases being noted in flour and sugar production and the output of factory cheese and creamery butter. The release of tobacco showed decline from the preceding month after usual adjustment. The textile industry was less active according to the three indicators used in this connection. The index of raw cotton consumption dropped from 129 to 105. While the imports of cotton yarn and thread were heavier, a decline was shown in the inward movement of wool.

The index of activity in the forestry industry showed recession despite gains in the exports of wood pulp and planks and boards. The primary iron and steel industry was slightly more active in April than in the preceding month. The output of automobiles rose from 16,802 units to 18,819. The imports of crude petroleum were heavy rising from 61 million gallons to nearly 94 million. The construction industry was slightly more successful in obtaining new business in April. Declines were shown in the output of electric power and in the railway freight movement. Gains were recorded in external trade, while a rise of about 9 points to 88 was indicated in the index of imports. The value of exports also showed a gain after seasonal adjustment, the index advancing from 80.3 to 97.8.

(See table on page 3)

Canadian Economic Factors

April 1938 compared with March and the same month of 1937

	April 1938	April 1937	March 1938	Percentage Increase + Decrease - April 1938-1937
Physical Volume of Business				
1926=100	117.4*	124.0	108.8	- 5.3
Wholesale prices	82.3	86.1	83.1	- 4.4
Common stock prices	97.9	136.2	99.2	- 28.1
Capitalized bond yields, Dominion	157.0	136.6	154.6	+ 14.9
Bank deposits	121.1	122.6	120.6	- 1.2
Mineral production				
Copper exports.....cwt.	389,702	232,732	537,740	+ 67.4
Nickel exportscwt.	118,033	131,533	204,294	- 10.3
Zinc exportscwt.	201,796	128,509	352,285	+ 57.0
Gold shipments, fine ounces	564,375	331,857	406,231	+ 9.8
Silver shipments, fine oz.	4,130,268	1,094,394	3,330,372	+277.4
Asbestos exportstons	13,924	11,529	10,371	+ 20.8
Bauxite importscwt.	96,439	196,303	155,710	- 50.9
Manufacturing production				
Sugar manufacturedlb.	28,008,721	49,055,445	26,038,797	- 42.9
Cattle slaughterings ..no.	143,596	148,982	129,998	- 3.6
Creamery butter production lb.	16,313,035	15,047,206	10,089,759	+ 8.4
Factory cheese production lb.	1,737,162	2,373,588	685,562	- 24.7
Canned salmon exports..cwt.	13,948	41,243	51,953	- 66.2
Newsprint production...tons	200,794	298,347	224,604	- 32.7
Woodpulp exportscwt	651,793	1,211,357	1,009,734	- 46.2
Exports of planks and boards ft.	90,978,000	101,079,000	147,332,000	- 10.0
Shingles exported.. squares	164,550	122,929	310,247	+ 33.9
Steel ingot production tons	116,445	121,426	118,676	- 4.1
Pig iron production .. tons	65,644	68,138	66,228	- 3.7
Automobile production no.	18,819	17,081	16,802	+ 10.2
Construction				
Contracts awarded \$	15,027,700	24,426,600	10,417,700	- 38.5
Building permits \$	4,879,867	6,106,693	3,556,567	- 20.1
Carloadings no.	184,734	207,618	199,507	- 11.0
Exports \$	56,253,135	66,907,258	75,109,104	- 15.9

* Preliminary, estimated on 44 items out of 46.

April Exports of Lumber

April exports of lumber amounted to 90,978,000 feet compared with 147,332,000 in March and 101,079,000 in April last year. The total to the United Kingdom was 55,995,000 feet and to the United States 21,006,000. Douglas fir planks and boards accounted for more than half of the April export, amounting to 54,121,000 feet.

Newsprint Paper Exports

Newsprint paper exports in April amounted to 3,734,532 cwt. of the value of \$7,979,896 compared with 4,074,576 at \$8,685,337 in the previous month and 5,055,809 at \$9,217,217 in April, 1937. The amount to the United States was 2,888,197 cwt., Australia 354,818, United Kingdom 262,966, Argentina 88,556 and Ireland 52,689.

April Export Markets

The value of Canada's domestic exports in April dropped to \$51,248,752 from the corresponding total for last year of \$65,516,661. Purchases of Canadian products by Foreign countries recorded a decline of 32.2 per cent, or to \$26,317,064 from \$38,805,896, and to Empire countries the decline was 6.7 per cent to \$24,931,688 from \$26,710,766. Export trade with the United States was 43.5 per cent lower at \$18,367,995 from \$32,510,815; the total to the United Kingdom was down 4 per cent to \$18,761,846 from \$19,540,276.

Purchases by Australia were valued at \$2,012,327 compared with \$1,372,401; Japan, \$1,761,766 compared with \$1,252,625; British South Africa, \$895,405 compared with \$1,179,887; Turkey, \$739,519 against nil; British West Indies, \$564,222 compared with \$923,357; Germany, \$696,696 against \$465,308; Argentina, \$460,517 against \$195,723; France, \$437,265 against \$399,051; New Zealand, \$1,302,685 against \$959,607.

Domestic exports to Mexico totalled \$371,624 compared with \$242,871; Netherlands, \$369,595 compared with \$599,918; Norway, \$331,394 compared with \$293,120; Sweden, \$325,097 against \$223,275; Brazil, \$332,919 against \$391,896; Ireland, \$267,873 against \$681,056; Newfoundland, \$244,001 against \$403,916; Hong Kong, \$214,943 against \$134,211; Belgium, \$230,466 against \$439,955; China, \$209,979 against \$342,194.

Wheat Stocks in Store

Canadian wheat in store for the week ending May 20 decreased 2,313,385 bushels from the previous week's total and 24,669,329 from the corresponding week last year. The amount reported in store was 36,019,493 bushels on the latest date compared with 38,332,878 the week before and 60,688,822 a year ago. Stocks of Canadian wheat in the United States totalled 688,000 bushels compared with 516,000 in the previous week and 7,861,513 in the same week last year. Wheat in rail transit amounted to 2,249,244 bushels and the amount in transit on the lakes was 2,761,125 bushels for the week ending May 20 compared with 2,411,271 and 2,855,182 bushels respectively for the same period last year.

Primary Movement of Wheat

Wheat marketings in the Prairie Provinces for the week ending May 20 amount to 605,716 bushels compared with 539,103 the week before and 893,005 a year ago. Total marketings during the forty-two weeks ending May 20 were 117,610,133 bushels compared with 157,057,873 in the corresponding period of the previous crop year.

Overseas Export Clearances of Wheat

Overseas export clearances of wheat during the week ending May 20 advanced to 1,590,580 bushels from the previous week's total of 761,315 bushels. In the corresponding week last year the total was 4,138,743 bushels. Imports of Canadian wheat into the United States for consumption and milling in bond for re-export totalled 13,000 bushels compared with 3,000 the week before and 471,000 a year ago. Aggregate overseas export clearances from August 1 to May 20 were 61,373,683 bushels compared with 122,376,762 in the same period of the previous crop year, while imports into the United States were 2,042,983 and 39,654,303 bushels, respectively.

Canada's Trade in April

Canada's trade in April amounted to \$105,148,553 compared with \$140,167,688 in the previous month and \$123,793,320 in April last year. The value of imported commodities was \$48,895,418 this year compared with \$65,055,628 in March and \$56,886,062 in April, 1937. Canadian goods sent abroad during April were valued at \$51,248,752 compared with \$74,219,408 in March and \$65,516,661 in April a year ago. The value of re-exports was \$5,005,383 compared with \$892,652 in the previous month and \$1,390,597 a year ago.

World Wheat Situation

The current weakness in wheat prices is predominantly due to the present prospects for abundant supplies on the North American continent in the new crop season. Further rains in the southwestern United States winter wheat area have brought the crop up to the crucial period when heavy demands are made upon sub-soil moisture reserves, in better shape than has been the case for several years. Additional rainfall within the next three weeks would ensure a fair harvest in the "dust-bowl" area, which has been blown out and drought-stricken in most of the recent years. The prospective July 1 carry-over of wheat in the United States of 200 million bushels, plus the presently estimated winter wheat crop of 754 million, and a spring wheat crop roughly indicated at 200 million, would provide the United States with total supplies of 1,154 million bushels, of which less than 700 million bushels are normally required for domestic utilization. In Canada, the present outlook is for the best wheat crop since 1932, although as is the case with the United States spring wheat crop, it is impossible at this date to predict what the final out-turn is likely to be.

An appreciable change has taken place in the outlook for European wheat crops within the past six weeks. Up until late March it appeared that northern Italy was the one exception to good wheat crop prospects throughout Europe. The dry weather which prevailed in March and the greater part of April gave rise to complaints in Germany, France, the United Kingdom, Portugal and Spain. Recent rains have checked deterioration generally and it is now reported that the drought damage has not been serious except in parts of Spain and Portugal where definite harm has been done. Additional rains are now wanted in the United Kingdom, Germany and France. In the latter country damage to the winter wheat crop has been limited to the southeast. The International Institute of Agriculture reported on May 13 that in Italy the month of April was generally unfavourable for cereals owing to drought and cold. In northern Italy the May 1 crop condition was generally poor and in many parts very bad, due especially to sharp frosts in the second half of April. This includes the area of heavy bread wheat production. In central and southern Italy conditions are fair to good, and in Sicily good to excellent. Durum wheat production predominates in the south and in Sicily. Conditions in the Danubian countries and Russia vary from good to excellent.

Because of the less bountiful production in prospect in western Europe, including the definite damage in northern Italy and Portugal, it now appears that European wheat import requirements in 1938-39 will be definitely in excess of those during the current season, and that world wheat shipments in 1938-39 will be closer to 600 than to 500 million bushels. While the prospective need of wheat imports has increased within the past month, this factor has not weighed heavily against the outlook for abundant export supplies in the coming crop season.

Automobile Production

Final figures for 1937 show that automobile production in Canada totalled 207,463 units valued at \$123,757,293 at factory prices, compared with 162,159 units at \$95,955,204 in 1936. The gain over 1936 was about 28 per cent in number and 29 per cent in value. The 1937 figures included 153,046 passenger cars worth \$93,368,282 and 54,417 trucks valued at \$30,389,011.

April Export of Rubber

April rubber exports amounted in value to \$949,574 compared with \$1,361,244 in the previous month and \$1,526,284 in April, 1937. Pneumatic tire casings, going to 68 markets, accounted for considerably more than half of the total export. Boots and shoes of rubber or part rubber were valued at \$154,109. Exports of rubber belting totalled \$64,550.

Exports of Farm Implements and Machinery

Exports of farm implements and machinery in April were valued at \$698,366 compared with \$901,765 in March and \$700,970 in April, 1937. The United States purchased to the amount of \$320,192, Argentina \$148,029, the United Kingdom \$59,510, British South Africa \$56,333 and Australia \$18,653.

The first section of the report is devoted to a general survey of the progress of the work during the year. It is divided into three parts, the first of which deals with the general progress of the work, the second with the progress of the work in the different departments, and the third with the progress of the work in the different countries.

The second section of the report is devoted to a detailed account of the work done in the different departments during the year. It is divided into three parts, the first of which deals with the work done in the different departments, the second with the work done in the different countries, and the third with the work done in the different institutions.

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Output of Central Electric Stations

The output of central electric stations during April dropped to 2,063,961,000 kilowatt hours from the April 1937 output of 2,322,884,000. In March the total was 2,258,197,000 kilowatt hours. The consumption of firm power in Canada was 1,477,377,000 kilowatt hours, a decrease of 33,131,000 from last year's total. This is the first month since April, 1933, that the consumption of firm power has not been greater than for the corresponding month of the previous year.

Exports to the United States amounted to 135,616,000 kilowatt hours against 164,250,000 a year ago. Over half of this decrease was in off-peak power exports which fell to 30,339,000 kilowatt hours from 45,750,000. Deliveries of secondary power to boilers dropped to 544,966,000 kilowatt hours from 648,127,000 in April, 1937.

Production of Concentrated Milk

The total quantity of concentrated milk produced during April was 15,335,710 pounds, an increase of 3,307,799 pounds over the previous month and 3,919,083 over the same month last year. The chief item, evaporated milk, rose from 7,314,247 pounds in April, 1937, to 10,495,117 pounds. Total production of all items during the four months ended April was 44,051,436 pounds compared with 33,214,655 in the corresponding period of 1937.

Consumption of Coke

The apparent consumption of coke in Canada during 1936 amounted to 3,263,938 tons compared with 2,997,991 in 1935. Production of coke, including petroleum coke, during 1936 totalled 2,469,499 tons, imports entered for consumption 730,801 tons, and producers' stocks declined 96,401, making an available supply of 3,296,701 tons. Exports totalled 32,763 tons, leaving 3,263,938 tons as the quantity available for use in Canada during the year.

Express Statistics

Combined gross earnings of all express companies in Canada increased from \$17,169,315 in 1936 to \$17,937,567 in 1937, and operating expenses from \$9,414,746 to \$10,187,856. Money orders, travellers' cheques and other financial paper issued amounted to \$67,523,282 as against \$63,548,920 in 1936.

Sales of Farm Implements and Equipment

Increased agricultural revenue in 1936, rapid improvement in general economic conditions in the spring of 1937 and a heavy backlog from earlier years all contributed to a marked gain in farm implement and equipment sales in Canada last year. Domestic sales, at wholesale prices to dealers, totalled \$30,465,153 for 1937, up 58 per cent from the \$19,343,871 reported for the preceding year. These figures relate to the sale of new machines and equipment only and are exclusive of binder twine.

Power machinery recorded the greatest percentage increase in the two-year interval. Tractors and engines to the number of 14,399 sold for \$13,188,765 in 1937, up 84 per cent in number and 99 per cent in value from the 7,829 units which sold for \$6,633,127 in 1936. Tractor sales alone gained 109 per cent in number and 99 per cent in value, 10,394 units selling for \$12,373,735 in 1937 compared with 4,982 units for \$6,214,322 in the earlier year. Gains in value of sales for other major groups in the farm implement trade were as follows: planting and seeding machinery, 68 per cent; harvesting machinery, 50; tillage machinery, 35; haying machinery, 25; and other types of farm implements and machinery, 21 per cent.

Variety Store Chains

There were 14 variety store chains in Canada during 1937 with 437 stores and \$46,323,400 sales, the latter amount showing an increase of 11.8 per cent over the preceding year, when the same number of chains operated 414 stores with sales of \$41,422,100. Although a portion of this increase in annual turnover is accounted for by the addition of 23 stores or units, there was also an increase in the average sales per store from \$104,600 in 1936 to \$109,800 in 1937, a gain of approximately 5 per cent. In 1930 there were 15 chains with 327 stores and \$39,383,600 sales. The index of variety chain sales, which during the years 1931 to 1936 inclusive was below the 1930 level, was 17.6 points higher in 1937 than in 1930.

Financing of Motor Vehicle Sales

While still showing a small decline compared with a year ago, figures on financing of motor vehicle sales in Canada during April indicated a better than seasonal rise from March levels. New and used vehicles financed in April this year totalled 20,915 compared with 12,208 in March and 21,382 in April last year. The amount involved in the latest month was \$9,405,865 compared with \$5,201,660 in March and \$9,088,948 in April last year.

Four-month totals recorded declines of 8 per cent in number and 3 per cent in amount compared with a year ago. During the period, January to April this year, 47,636 new and used vehicles were financed for \$21,260,172 compared with 51,555 at \$21,941,608 a year ago.

Reports Issued This Week

1. Index Numbers of Wholesale Prices (10 cents)
 2. List of Correspondents for Telegraphic Crop-Reporting Service (10 cents)
 3. Production of Concentrated Milk, April (10 cents)
 4. Output of Central Electric Stations, April (10 cents)
 5. Trade of Canada, April (10 cents)
 6. Variety Store Chains, 1937 (10 cents)
 7. Financing of Motor Vehicle Sales, April (10 cents)
 8. Security Prices and Foreign Exchange (10 cents)
 9. Car Loadings (10 cents)
 10. Monthly Review of the Wheat Situation (10 cents)
 11. Exports of Meats, Lard and Sausage Casings, April (10 cents)
 12. Exports of Farm Implements and Machinery, April (10 cents)
 13. Exports of Rubber and Insulated Wire and Cable, April (10 cents)
 14. Canadian Grain Statistics (10 cents)
 15. Sales of Farm Implements and Equipment, 1937 (25 cents)
 16. Domestic Exports to Principal Countries, April (10 cents)
 17. Exports of Canadian Lumber, April (10 cents)
 18. Exports of Petroleum and Its Products, April (10 cents)
 19. Exports of Pulp Wood, Wood Pulp and Paper, April (10 cents)
 20. Express Statistics, 1937 (10 cents)
 21. Consumption of Coke, 1936 (10 cents)
 22. Exports of Non-Ferrous Ores and Smelter Products, April (10 cents)
 23. Exports of Canadian Paints and Varnishes, April (10 cents)
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