

WEEKLY BULLETIN

Dominion Bureau of Statistics

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Weekly Review of Economic Conditions

Common stocks alone of the six major factors recorded a gain in the week under review. The standing of the common stock index was 106.8 against 103.4 in the preceding week. The declines in carloadings and in wholesale prices were 6 p.c. and 1 p.c., respectively. Capitalized bond yields were nearly maintained while bank clearings and shares traded showed recessions from the high levels of the preceding week. While several of the factors are adjusted for seasonal tendencies, the results for the week were affected by the occurrence of a holiday.

Two of the six major factors recorded a gain over the same week of 1937. The trading was considerably heavier than one year ago and high-grade bond prices are now showing a considerable lead over the same period of last year.

The railway freight movement was at a considerably lower level in the 26th week of the year, the index standing at 64.9 against 69.0. The comparison was affected by the occurrence of a holiday on Friday, July 1. During the first half of the year, the decline in the number of cars loaded was 98,000, the total for the present year having been 1,137,000 cars.

The Cotton Institute reports that 9,006,690 pounds of raw cotton were opened for use by the cotton textile industry during June. The recession from the preceding month was greater than normal for the season, the index dropping off from 108.6 to 104.8. Sugar manufactured in the sixth four-week period of the year was 94.4 million pounds against 95.5 million in the preceding period. The decline was contrary to seasonal tendencies.

Mainly due to the decline in grain, the index of wholesale prices dropped from 79.9 to 79.1. The price of No. 1 Northern wheat declined from 105 $\frac{1}{2}$ to 93 $\frac{3}{8}$ and some reaction was shown in coarse grains. Metals were comparatively strong on the London market, electrolytic copper having been £44 on July 13, against £44 5s on July 6. Lead also showed recession while zinc was at a slightly higher position. The price of copper in New York advanced from 9.50 on July 5 to 9.75, and a further advance was shown in lead to 4.90-4.95. The decline in the grain index was the outstanding event in the price field during the week, observers predicting a record world wheat crop for 1938. The downward movement in the general index during the last two weeks has established a low position for slightly more than a year and a half.

The decline in high-grade bond prices was of a minor character, the average yield rising from 2.99 to 3.00. The 4 $\frac{1}{2}$'s of 1946 receded from 112 $\frac{5}{4}$ on July 5, to 112 $\frac{5}{8}$ on the 12th. Despite the gain during May and June of 1937, the present position of bond prices is far higher than at this time last year. The advance continued on the Canadian stock exchanges, the index of 96 common stocks advancing from 103.4 to 106.8. The gain over the preceding week was 3.3 p.c., while the deficit from last year was reduced to 18.7 p.c. Each of the groups in the official classification recorded advances, the index of 15 power and traction stocks rising to 66.7 from 63.1.

The weekly index based on the six above-mentioned factors receded from 109.1 in the preceding week to 108.1 in the week of July 9. The recession amounted to 0.9 p.c. During July last year the index recorded a steady gain and the present standing is consequently 1.5 p.c. below the same week of 1937. The index at that time stood at 109.7.

Weekly 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
July 10, 1937	78.03	87.0	144.7	96.4	131.4	71.7	109.7
July 2, 1938	68.95	79.9	162.3	93.0	103.4	235.8	109.1
July 9, 1938	64.91	79.1	162.1	91.9	106.8	234.1	108.1

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 weighting therefore represents, not an attempt to give the relative importance of the factors, but to place them on an equal footing by equating the tendency toward fluctuation. 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.

Primary Movement of Wheat

Marketings of wheat in the Prairie Provinces for the week ending July 8 amounted to 931,830 bushels compared with 697,371 in the previous week and 978,991 in the corresponding week a year ago. During the forty-nine weeks ending July 8 there were 123,404,454 bushels of wheat received from the farms compared with a total of 163,414,342 in the same period of the previous crop year.

Overseas Export Clearances of Wheat

Overseas export clearances of wheat during the week ending July 8 amounted to 1,486,499 bushels, while imports into the United States for consumption and milling in bond were 19,000. In the previous week 1,022,315 bushels of wheat were cleared and 20,000 imported into the United States. During the week ending July 9, 1937, overseas clearances totalled 1,631,709 bushels and United States imports 262,000. The Port of Montreal cleared 1,319,152 bushels of wheat compared with 1,487,789 last year; Vancouver-New Westminster, 114,667 bushels against 25,000, and United States Ports 52,680 against 119,120.

Wheat Stocks in Store

Canadian wheat in store for the week ending July 8 decreased 1,443,527 bushels from the previous week's total and 16,137,607 from the corresponding week last year. The amount in store was reported as 24,462,579 bushels compared with 25,906,106 for the previous week and 40,600,186 for the week of July 9, 1937.

Canadian wheat in the United States amounted to 566,000 bushels compared with 841,000 the week before and 5,006,614 a year ago. The amount of United States wheat in Canada was 572,635 bushels compared with 841,000 in the previous week and 59,140 last year.

Wheat in rail transit totalled 1,836,993 bushels and the amount in transit on the lakes was 499,332 bushels. In the previous week the amount of wheat in rail transit was 1,347,196 bushels and in transit on the lakes 466,611 bushels, while last year the amounts were 3,275,884 and 646,226 bushels, respectively.

May Output of Gold

Canada's May production of gold at 381,089 ounces set up a new high monthly record and compares with 368,439 ounces in the previous month and 340,125 in May, 1937. The average price of gold in May was \$35.22 per ounce, in Canadian funds; valued at this price the month's output was worth \$13,421,955. In the previous month the average was \$35.15, and the value of the output was \$12,950,631. During the five months this year Canada produced 1,827,475 ounces of gold, representing an increase of 12.2 per cent over the output in the corresponding months of 1937.

Ontario produced 241,364 ounces of gold in May, of which 101,767 ounces came from the Porcupine camp and 89,081 from the Kirkland Lake area. In April the Porcupine camp produced 100,438 ounces and the Kirkland Lake field 83,631. Production by Quebec operators amounted to 68,009 ounces against 71,969 in April and 58,028 in May last year. An advance of 26.2 per cent was shown in the Quebec output during the five months ending May compared with the similar period of 1937.

The output from British Columbia sources amounted to 48,783 ounces compared with 46,781 in April and 45,056 in May, 1937. Manitoba and Saskatchewan operators accounted for 18,845 ounces in May against 19,957 in April. Shipments from Nova Scotia properties to the Royal Canadian Mint totalled 2,119 ounces against 2,115 in April. The Yukon production was recorded at 1,969 ounces against 526 in April and 2,728 in May, 1937.

Output of Copper and Nickel

Canadian copper output in May amounted to 48,429,331 pounds compared with 47,750,255 in April and 41,561,784 in May, 1937. May quotations on the London market averaged 9.162 cents per pound in Canadian funds; based on this price the month's output was worth \$4,437,095. During the first five months this year Canada produced 243,558,959 pounds of copper, an advance of 21.1 per cent over the corresponding period of 1937.

The May output of nickel was reported at 18,620,908 pounds compared with 20,469,463 in the previous month and 18,462,389 in May, 1937. Production during the five months ending May aggregated 92,667,972 pounds, or 2.5 per cent above the output in the corresponding period last year.

Production of Gypsum

Gypsum production in Canada during May amounted to 110,515 tons compared with 49,579 in the preceding month and 113,570 tons in May, 1937. May exports of crude gypsum from Canada totalled 68,124 tons, representing approximately 70 per cent of the crude gypsum sold during the month. The Canadian output during the first five months of 1938 was recorded at 178,673 tons, or 17.3 per cent below the tonnage produced a year ago.

New Motor Vehicle Sales

Sales of new motor vehicles in Canada during the month of May declined sharply, reaching a point 13 per cent below April and 15 per cent below the number sold in May a year ago. The number of cars, trucks and buses sold in May was 17,977 and their retail value was \$19,991,349 compared with 21,043 vehicles for \$21,453,442 in the corresponding month last year.

The decline from April this year was greater than the usual seasonal movement while the 15 per cent reduction from May a year ago is on a par with the average reduction for the first five months of the current year compared with the same period in 1937. Sales of new motor vehicles in Canada to the end of May this year totalled 64,984 valued at \$72,127,151, whereas sales during the first five months of 1937 were 76,401 at \$77,369,609.

Cost of Living

Lower prices for fuel, clothing and sundries, partially offset by moderate gains for foods, resulted in a decline in the general cost of living index for Canada from 84.2 in May to 84.1 in June. The food index rose from 77.7 to 78.1, influenced by higher prices for eggs, meats, potatoes, onions, cod fish and finnan haddie. Butter, milk, bread and flour recorded declines.

The clothing index which apart from one slight reaction had shown a steady advance dating from September, 1935, reversed direction to register a decrease from 73.7 to 73.0. While all varieties of clothing contributed to the recession, the reduction in men's wearing apparel was less marked than that displayed by women's clothing and yard materials.

Seasonal reductions in coal and coke prices caused the fuel index to fall from 85.9 to 85.1. Fuel prices in general were for the first time in thirteen years slightly above the level for the corresponding month of the previous year. The sundries index was down fractionally from 93.9 to 93.8, owing to a decline in the sub-group for household effects from 87.2 to 86.9, and in that for furniture from 93.6 to 93.4.

Production of Butter and Cheese

June production of creamery butter was reported at 40,840,771 pounds compared with 29,025,882 in May and 38,258,922 in June last year. Factory cheese output was 21,984,173 pounds compared with 11,413,378 in May and 24,818,823 in June last year.

Creamery butter output during the six months ended June was 112,247,974 pounds compared with 104,503,185 in the corresponding period last year. Cumulative production of factory cheese was 37,050,873 pounds compared with 41,669,096 a year ago.

Canada's Export Trade in June

A preliminary statement issued by the Dominion Bureau of Statistics indicates a contraction of \$47,256,161 in the value of Canada's domestic exports in June, the value being \$66,661,943 compared with \$113,918,104 in June, 1937. The value of re-exports of imported goods recorded a marked gain, totalling \$11,645,891 compared with \$1,379,539.

The chief commodities exported in June this year follow, with figures for June, 1937 in brackets: newsprint, \$8,441,719 (\$11,401,687); wheat, \$7,662,419 (\$15,441,883); partially manufactured copper, \$3,758,222 (\$5,118,495); planks and boards, \$3,527,067 (\$4,499,416); meats, \$2,826,959 (\$4,186,875); automobiles and parts, \$2,447,998 (\$2,630,097); fish, \$2,292,640 (\$1,908,241); unmanufactured nickel, \$2,089,765 (\$5,376,806); wood pulp, \$1,672,126 (\$3,810,638); wheat flour, \$1,562,023 (\$2,329,245); cheese, \$813,614 (\$1,043,870); furs, \$448,705 (\$865,938).

Domestic exports during the three months ended June totalled in value \$185,680,195 compared with \$282,959,318 in the corresponding three months of the previous fiscal year. A considerable advance was shown in the value of re-exported commodities, the total being \$21,672,021 compared with \$4,849,418.

The leading commodities were as follows, with comparable figures for the corresponding three months last year in brackets: newsprint, \$25,556,979 (\$31,352,223); wheat, \$13,428,340 (\$30,982,470); partially manufactured copper, \$12,806,491 (\$13,746,035); meats, \$9,401,080 (\$11,166,916); unmanufactured nickel, \$9,274,099 (\$14,020,460); planks and boards, \$8,040,774 (\$10,802,427); automobiles and parts, \$6,563,337 (\$7,040,614); wood pulp, \$5,954,981 (\$10,310,579); fish, \$4,754,360 (\$5,150,090); wheat flour, \$4,235,511 (\$6,148,225); cheese, \$1,637,452 (\$1,510,546); furs, \$1,511,561 (\$3,026,843).

June Exports of Wheat, Flour and Coarse Grains

June exports of wheat amounted to 7,275,376 bushels of the value of \$7,662,419 compared with 12,180,068 worth \$15,441,883 in June, 1937. The United Kingdom took 2,996,271 bushels as against 9,392,049 a year ago. Export shipments of wheat flour aggregated 299,503 barrels valued at \$1,562,023 compared with 389,995 at \$2,329,245; the United Kingdom took 150,289 barrels compared with 220,050.

June exports of barley increased to 2,005,511 bushels valued at \$1,205,535 compared with 722,920 worth \$513,089 in June last year. The amount to the United Kingdom was 1,776,805 bushels compared with 141,656. Exports of oats and rye were lower the former amounting to 531,872 valued at \$255,111 compared with 777,448 at \$447,293 in June last year, and the latter to 115,230 worth \$71,711 compared with 664,093 bushels at \$778,334.

Imported Living Animals

Living animals were imported to the value of \$179,270 in May compared with \$75,737 in the previous month and \$204,422 in May, 1937. Bees from the United States accounted for a large part of the total, amounting in value to \$132,013 compared with \$43,126 the month before and \$136,660 a year ago. Animals for exhibition purposes were imported to the value of \$19,190 from the United States. The import in May was substantially higher than in both the previous month and the corresponding month last year.

May Imports of Paper

May imports of paper were valued at \$640,747 compared with \$577,499 in April and \$723,901 in May, 1937. The total from the United States was \$463,213 and from the United Kingdom \$101,233. Imports of wood pulp, consisting largely of unbleached sulphite pulp from the United States, amounted to 26,186 cwt. worth \$43,008 against 24,375 at \$40,860 the month before and 32,346 at \$51,762 in May, 1937. Pulpwood imports amounted to 5,429 cords worth \$37,369 compared with 4,663 at \$31,093 in April and 360 at \$2,117 in May last year.

Imported Farm Implements and Machinery

Total imports of farm implements and machinery were valued at \$2,363,212 in May compared with \$2,116,284 in the previous month and \$2,098,990 in May last year. The United States supplied to the value of \$2,156,648, of which traction engines valued up to \$1,400 each accounted for a total of \$1,496,058, and parts \$301,214.

Imports of Fresh Vegetables

Fresh vegetables were imported to the value of \$971,645 during May compared with \$811,292 in April and \$957,816 in May, 1937. The import came chiefly from the United States, the total from that country being \$833,199. Domestic exports were valued at \$106,210 against \$70,659 the month before and \$87,177 a year ago. In addition, government certified seed potatoes were exported to the value of \$20,094 against \$19,445 in April and \$88,403 in May, 1937.

Imported Vegetable Oils

Vegetable oils were imported to the value of \$1,325,788 in May compared with \$1,405,937 the month before and \$1,694,975 in May last year. Crude peanut oil accounted for more than half, amounting to \$693,198 compared with \$325,697 in April and \$531,047 in May, 1937. Coconut oil imports totalled \$128,874, cottonseed \$97,947, olive \$54,168, Chinawood \$41,667 and castor oil \$26,267. The United Kingdom was the leading contributor with a total of \$729,801 followed by the United States at \$213,692.

Imports and Exports of Fruits

May imports of fresh fruits were valued at \$1,547,972 compared with \$1,018,047 in the previous month and \$1,977,033 in May last year. Imports from the United States were valued at \$1,119,538. Apples to the value of \$152,087 were imported from New Zealand, bananas worth \$153,314 from Jamaica and pineapples at \$65,860 from Cuba. Domestic exports of fresh fruits were comparatively small, amounting to \$43,522, and consisted largely of fresh apples.

Canned and preserved fruits were imported to the value of \$213,828 in May compared with \$85,845 in April and \$192,732 in May last year. Canned pineapples worth \$83,972 and fruit pulp at \$40,020 were the leading items. Domestic exports of canned and preserved fruits included: canned pears worth \$148,224, peaches \$42,569, apples \$34,910. The United Kingdom was by far the leading purchaser.

Imports of Lumber

Imports of lumber in May amounted to 5,887,000 feet valued at \$240,926, of which 5,186,000 feet came from the United States. In the previous month the total was 4,616,000 and in May last year, 7,950,000 feet. Imports of oak totalled 1,583,000 feet, white pine 1,102,000, Douglas fir 513,000, southern, yellow, or pitch pine 436,000, gumwood 361,000 and walnut 208,000. Shingles were imported to the value of \$1,413 compared with \$456, laths \$1,371 against \$2,479 and veneers \$11,580 against \$39,509.

Imported Automobiles

There were 2,344 automobiles imported in May to the value of \$1,919,009 compared with 2,789 units worth \$2,112,534 in May, 1937. The United States supplied 2,244 units valued at \$1,872,052. The number of passenger models imported was 2,026, freight 202 and buses 30.

Index Numbers of Wholesale Prices

Advances were more numerous than declines among wholesale commodities during the week ending July 8 but falling prices for grains, fresh meats, milk products and steel pipe were sufficient to depress the Dominion Bureau of Statistics index from 79.9 for the week ending July 1 to 79.1. Raw rubber, eggs, raw cotton and copper showed price increases. Canadian Farm Products dipped from 75.0 to 72.2. The general index stood at 87.0 in the corresponding week last year.

Reports Issued During the Week

1. Telegraphic Crop Report, Prairie Provinces (10 cents).
 2. Summary of Exports of Grains and Flour, June (10 cents).
 3. Imports of Lumber, May (10 cents).
 4. Imports of Vehicles of Iron, May (10 cents).
 5. Imports of Farm Implements and Machinery, May (10 cents).
 6. Imports of Pulp Wood, Wood Pulp and Paper, May (10 cents).
 7. Imports of Living Animals, May (10 cents).
 8. Weekly Index Numbers of Wholesale Prices (10 cents).
 9. Stocks of Dairy and Poultry Products, July 1 (10 cents).
 10. Cold Storage Holdings of Meat and Fish, July 1 (10 cents).
 11. Stocks of Canadian Fruits and Vegetables, July 1 (10 cents).
 12. Review of Dairy Production, June (10 cents).
 13. Canadian Grain Statistics (10 cents).
 14. New Motor Vehicle Sales in May (10 cents).
 15. Security Prices and Foreign Exchange (10 cents).
 16. Price Movements, June (10 cents).
 17. Imports of Stoves, Sheet Metal Products, Refrigerators, May (10 cents).
 18. Imports and Exports of Vegetable Oils, May (10 cents).
 19. Imports and Exports of Fresh Fruits, May (10 cents).
 20. Imports and Exports of Canned and Preserved Fruits, May (10 cents).
 21. Imports and Exports of Fresh Vegetables, May (10 cents).
 22. Imports and Exports of Pickles and Preserved Vegetables, May (10 cents).
 23. Gold Production, May (10 cents).
 24. Copper and Nickel Production, May (10 cents).
 25. Gypsum Production, May (10 cents).
 26. Car Loadings (10 cents).
 27. Condition of Field Crops at June 30 and Preliminary Estimate of Areas of Late-Sown Crops, Canada (10 cents).
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