WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce

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Weekly Review of Economic Conditions

Two of the six factors showing the trend of economic conditions in the week ended July 16 recorded a gain from the preceding week. Carloadings showed a minor increase over the revised index for the preceding week while the index of wholesale prices advanced from 79.1 to 79.2. Common stock prices reacted slightly following the rapid advance of the three preceding weeks. Capitalized bond yields only recorded a gain over the same week of 1937, the decline in carloadings and wholesale prices having been 14 p.c. and nearly 10 p.c., respectively.

The railway freight movement was slightly heavier in the 27th week. Grain was the only commodity showing an increase over last year's level. The cumulative decline from the first twenty-seven weeks of last year was 106,562 cars. The preliminary compilation of the index of the physical volume of business for June was 105.8 against 110.7 in May. The decline in the movement of base metals was a reactionary factor. Moderate increases were shown in the production of newsprint, automobiles and in merchandise exports.

The index of Canadian farm product prices moved up from 72.2 to 72.5, gains being recorded both in crop and animal products. The index of non-ferrous metals advanced from 70.1 to 70.4. Minor declines were shown in textiles and wood and paper. The decline in the index of wholesale prices from the same week of last year was 9.7 p.c. Twelve months ago the index was approaching its high point for recent years.

Metal prices were strong on the London exchange, electrolytic copper moving up from £42 10s per ton on the 12th to £44 5s on the 19th. A further advance was shown in electrolytic copper on July 20, when the bid quotation was £45 5s. Important increases were also shown in lead and zinc. Export copper in New York was 9.94 against 9.70. Lead and zinc remained steady during the week. No. 1 Northern wheat advanced from 98 3-8 to 100 1-8 on the Winnipeg exchange. Oats and barley declined while increases were shown in flax and rye. The advance in bacon hogs was continued on the Toronto stock-yards, the price having been 12.11 per hundredweight against 11.70 in the week of July 9.

The price of Dominion Government bonds reacted slightly in the week under review. The bond market has been at a very high level for twelve weeks, fluctuations having been relatively moderate during the period. During the first two days of the present week, some reaction was in evidence.

Common stock prices reacted slightly after the marked advance of the three preceding weeks. The machinery and equipment, oils, food and beverage stocks averaged higher than in the week of July 7. The index of 15 power and traction stocks was 66.0 against 66.7.

The weekly index based on the six above-mentioned factors was 108.3 in the week of July 16, against 108.8, the revised index for the preceding week. Advances were shown in carloadings and wholesale prices, while the four other factors recorded reaction. The standing of the index in the same week of 1937 was 111.0, a decline of 2.4 p.c. having been shown during the interval.

Weekly 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	Index[4]
July 17, 1937	81.42	87.7	144.5	92.6	131.9	282.5	111.0
July 9, 1938	68.25	79.1	162.1	91.9	106.8	234.1	108.8[5]
July 16, 1938	69.97	79.2	161.3	89.0	106.0	221.1	108.3

1. The index of carloadings is projected forward one week to correspond with the practice in computing the weekly index. 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. 5. Revised.

Departmental Store Sales

Department store sales in Canada gained seven per cent in June over May and were three per cent lower than in June, 1937. The unadjusted index on the base 1930 =100 was 77.8 for June this year, 72.9 for May and 80 .5 for June, 1937. After adjustment, sales in June advanced about the usual seasonal amount over May, while the three per cent decline below June last year was about on a par with the average decrease for the first six months this year compared with the similar period of 1937.

Economic Conditions in June

The factors indicating the trend of economic conditions showed only slight changes in June, common stock prices and deposit liabilities rising slightly. Declines, on the other hand, were shown in wholesale prices, the physical volume of business and in capitalized bond yields.

The main influence in depressing the index of wholesale prices was the drop in grain due to favourable crop conditions. Prices of raw materials have shown considerable decline in recent months and an appreciable disparity is now being shown between finished goods and raw materials. The capitalized index of Dominion bond yields was only slightly lower than the maximum of recent years reached in May. A gain was shown in the deposit liabilities and the banking position remains particularly strong. A marked change was noted in the tenor of stock exchanges, common stock prices rising sharply in the latter part of the month.

The factors indicating the trend of mineral production were mostly reactionary in June. Copper exports amounted to 42 million pounds against 59 million in May, while nickel exports dropped from 16.9 million pounds to 9.4 million. A considerable decline was shown in zinc exports, the index retreating from 199 to 114. The exports of asbestos were 16,306 pounds against 19,057 and a considerable increase was shown in the imports of bauxite for the manufacture of aluminum.

A slight gain was shown in the production of wheat flour in the latest month for which statistics are available. A contraseasonal decline was shown in the manufacture of sugar, the index declining from 116 to 96. The increase in the production of factory cheese and creamery butter failed to meet seasonal expectations, while a decline was recorded in the export of canned salmon.

Declines were shown in each of the indexes indicative of the trend in the textile industry. The consumption of raw cotton dropped from 9.4 million pounds to 9.0 million, and the index for the imports of raw wool and yarn dropped from 114.5 to 57. A slight gain was shown in the production of newsprint after seasonal adjustment, the total in June having been 201,694 tons. A revival was recorded in the lumber export trade, the outward movement of planks and boards rising to 166 million feet from 125 million.

The primary iron and steel industry was more active after seasonal adjustment, the index of the output of steel ingots moving up from 175.4 to 181.5. The index of pig iron production, on the other hand, dropped from 109.7 to 104.5. The output of automobiles has shown a gain for the third consecutive month after seasonal adjustment. The imports of crude petroleum were 137.6 million gallons against 133 .0 and a considerable gain was shown in the imports of crude rubber mainly for the making of tires. The gain in this item was from 5.7 million pounds to 7.3 million.

Construction contracts awarded failed to meet seasonal expectations in June. The railway freight movement was further contracted, the total in June having been 187,467 cars against 190,164 in May.

Merchandise exports rose from $72.8 million to $78.3 million, the index after seasonal adjustment, advancing from 86.4 to 96.9. Bank debits in June were $2,730.1 million against $2,462 million in May. A considerable gain was shown after seasonal adjustment, the index advancing from 104.4 to 125.8.

(See also Page 3.)

Economic Conditions in June 1938 compared with May last and June 1937

Classification		June 1937	June 1938	Inc.+ Dec.-	May 1938
Index of Physical Volume Business	1926=100	126.0	105.8*	-16.0	110.7
Common Stocks	1926=100	129.4	100.0	-22.7	99.7
Wholesale Prices	1926=100	84.6	80.1	- 5.3	80.3
Capitalized Bond Yields	1926=100	144.3	161.9	+12.2	162.1
Bank Deposits	1926=100	120.2	121.3	+ 0.9	121.2
Copper Exports	Cwt.	367,208	421,034	+14.7	590,169
Nickel Exports	Cwt.	216,710	94,152	-56.6	169,086
Zinc Exports	Cwt.	321,107	168,758	-47.4	323,174
Asbestos Exports	Tons	17,205	16,306	- 5.2	19,057
Sugar Manufactured	lb.	65,774,505	94,408,309	+43.5	95,504,010
Cheese - Factory	lb.	24,542,124	21,984,173	-10.4	11,413,398
Butter - Creamery	lb.	37,948,757	40,840,771	+ 7.6	29,025,892
Crude Rubber Imports	lb.	8,488,643	7,264,134	-14.4	5,700,660
Wool Imports	lb.	4,570,776	915,765	-80.0	1,839,283
Newsprint production	Tons	310,871	201,694	-35.1	207,678
Planks and Boards Exported	Mft.	182,191	166,177	- 8.8	124,957
Shingles Exported	squares	209,836	37,431	-82.2	58,393
Steel Ingot Production	Long Tons	118,744	109,000	- 8.2	114,859
Pig Iron Production	Long Tons	78,278	64,375	-17.8	71,602
Automobile Production	No.	23,841	14,732	-38.2	18,115
Petroleum Imports	Gals	156,154,899	137,602,000	-11.9	123,035,000
Carloadings	No.	214,229	187,467	-12.5	190,164
Exports	$	108,857,343	78,307,834	-28.1	72,791,247

* Preliminary

Mental Institutions

There were in Canada 43,080 persons registered in the fifty-seven institutions for the care and treatment of persons suffering from mental diseases at the end of 1936, of whom 39,833 were resident patients and 3,247 on parole. The net increase in resident population during the year was 1,562. Total patients under care was 53,326, representing an increase of 2,592 patients over the number under care in 1935. Of the 39,833 patients in residence, 31,268 were classified as insane, 7,711 mental defectives, 603 epileptics and 251 all other types. The ratio of insane resident patients per 100,000 of the mean general population at the end of December 1936 was 282.2 and for the total resident patients 359.5.

First admissions numbered 9,002 or 74.4 per cent of the total, and re-admissions 2,121 or 17.5 per cent of the total. Of the first admissions, 5,443 or 71.7 per cent were Canadian born, 1,021 or 13.4 per cent were British born and 1,128 or 14.8 per cent were foreign born.

The age groups 20 to 39 had 69 per cent of the total male first admissions and 63 per cent of the total female first admissions. The average age of re-admissions was 41 years and the average age of discharged patients 39 years. The average length of stay of discharged patients was 1.2 years.

The staffs of all mental institutions totalled 7,538 and the total expenditures during the year were $14,222,138.

Registration of Motor Vehicles

Motor vehicle registrations increased 79,578 during 1937, according to preliminary figures released by the Dominion Bureau of Statistics. The total was 1,319,702 compared with 1,240,124 in 1936. All provinces recorded gains over the previous year, the percentage of increase being as follows: Prince Edward Island, 5.0; Nova Scotia, 8.4; New Brunswick, 10.1; Quebec, 9.0; Ontario, 5.7; Manitoba, 7.9; Saskatchewan, 2.7; Alberta, 3.1; British Columbia, 9.7, and the Yukon Territory, 9.7.

Despite the gain noted in the number of motor vehicles registered, the revenues were lower, amounting to $25,993,905 compared with $26,493,922. The drop was accounted for by a decline in Ontario's registration revenues, due to the decrease in the rates, the total for that province being $9,043,538 compared with $11,144,956. The remaining provinces were advanced over 1936. The nine provinces of the Dominion reported higher collections of the gasoline tax which totalled $38,373,947 compared with $34,532,436 in 1936.

Canada's Trade in June

Canada's June external trade was computed at $137,254,532 compared with $139,914,284 in May and $190,966,327 in June last year. During the three months ended June the total was $382,317,369 compared with $497,070,936 in the corresponding three months last year.

The value of June imports was $58,946,698 compared with $67,123,037 in May and $75,668,684 in June, 1937. During the first three months of the current fiscal year imports totalled $174,965,153 compared with $209,262,200 a year ago.

Domestic exports in June totalled in value $66,661,943 compared with $67,769,500 in May and $113,918,104 in June, 1937. The three month total was $185,680,195 compared with $282,959,318 in the same three months of 1937.

The amount of duty collected in June was $7,828,826 compared with $8,519,770 in May and $8,736,170 a year ago. Duties collected during the three months ended June aggregated $22,956,379 compared with $25,689,464 in the corresponding three months of 1937.

June Domestic Exports

The export of Canadian commodities in June recorded a substantial decline from the corresponding month last year, totalling $66,661,943 compared with $113,918,104. Although the drop in the value of exports to the United States and the United Kingdom accounted for the greater portion of the decline, Belgium, British India, Germany, Italy, Japan, China, Netherlands and Norway were other leading countries which took Canadian goods to considerably lower valuations. On the other hand British South Africa, Newfoundland, Australia, New Zealand, Czechoslovakia, Denmark, France, Greece and Sweden made greater purchases during the month.

The United Kingdom was Canada's best customer in June with a total of $25,600,102 compared with $37,921,628 a year ago. United States was in second place at $20,698,440 compared with $52,120,551, Australia third at $3,888,369 against $3,068,331, New Zealand fourth at $1,585,757 against $1,152,380, Netherlands fifth with $1,259,136 against $2,494,923, British South Africa sixth at $1,185,088 against $1,249,450, Belgium seventh with $1,018,680 against $1,545,461, France eighth with $1,025,318 against $756,849, and Newfoundland ninth at $1,004,726 against $864,078.

Other leading markets were as follows, with figures for June 1937 in brackets: Germany, $772,573 ($1,320,326); Sweden, $716,189 ($493,125); Greece, $638,624 ($416); Argentina, $555,140 ($790,923); Czechoslovakia, $532,308 ($13,381); Denmark, $460,244 ($107,165); Eire, $490,905 ($430,194); Norway, $452,995 ($786,846); Jamaica, $377,067 ($331,178); Trinidad and Tobago, $364,496 ($328,935); Japan, $262,043 ($2,712,882); China, $244,267 ($573,903); Brazil, $232,441 ($416,669); Straits Settlements, $192,084 ($199,278).

Declines predominated throughout the list of commodities, the falling-off in export shipments of gold bullion other than monetary to the United States being outstanding. The amount to that country was $19,385,000 last year, while this year there was none. Total wheat shipments dropped off to $7,662,000 from $15,442,000, newsprint to $9,015,000 from $12,280,000, copper to $3,828,000 from $5,176,000, nickel to $2,090,000 from $5,377,000, meats to $2,827,000 from $4,187,000, planks and boards to $3,527,000 from $4,499,000, wood pulp to $1,672,000 from $3,811,000, automobiles to $2,225,000 from $2,344,000 and asbestos to $1,242,000 from $1,309,000.

Export shipments of barley increased to $1,206,000 from $513,000, sugar to $183,000 from $92,000, vegetables to $477,000 from $441,000, fish to $2,240,000 from $1,817,000, pulpwood to $1,784,000 from $1,551,000, farm implements to $1,148,000 from $1,052,000, hardware and cutlery to $172,000 from $159,000, raw gold to $671,000 from $506,000, petroleum to $123,000 from $110,000, electrical energy to $438,000 from $348,000, films to $464,000 from $420,000, and silver to $689,000 from $559,000.

June Domestic Exports to the United States

The value in Juneof Canada's domestic exports to the United States of commodities affected by the trade agreement was $14,380,082 compared with $22,793,815 in June last year. The total for the first half of this year was $82,249,820 compared with $124,242,851 in the corresponding six months of 1937. Most of the leading commodities recorded declines in June, newsprint paper falling in value to $6,616,284 from $8,948,731, wood pulp to $1,505,880 from $3,024,610, softwood plants and boards to $813,828 from $1,292,603, whiskey to $727,179 from $1,332,032. Exports of pulpwood advanced to $1,510,383 from $1,507,967.

Wheat Stocks in Store

The visible supply of Canadian wheat on July 15 was 23,335,957 bushels compared with 24,462,579 a week ago and 37,977,649 on the corresponding date last year. Canadian wheat in the United States continues at a low mark, the amount shown in store at United States Atlantic Seaboard Ports being 690,000 bushels compared with 566,000 a week ago and 4,835,614 a year ago. Stocks of United States wheat in Canada totalled 351,941 bushels compared with 571,635 the week before and 59,140 in 1937.

The amount of wheat in rail transit on the latest date was 2,322,186 bushels compared with 1,836,993 a week ago and 3,049,227 on the corresponding date last year. Wheat in transit on the lakes totalled 1,009,487 bushels compared with 499,332 in the previous week and 1,001,632 a year ago.

Primary Movement of Wheat

Marketings of wheat in the Prairie Provinces for the week ending July 15 amounted to 770,554 bushels compared with 931,830 in the previous week and 864,740 in the corresponding week last year. The totals follow by provinces, with figures for 1937 in brackets: Manitoba, 121,426 (137,023) bushels; Saskatchewan, 283,795 (380,051); Alberta, 365,333 (347,666). Total marketings from August 1 to July 15 were 124,175,000 bushels compared with 164,983,782 in the corresponding 50 weeks last year.

Overseas Export Clearances of Wheat

Overseas export clearances of wheat amounted to 1,382,999 bushels during the week ending July 15, while imports into the United States for consumption and milling in bond were 16,000 bushels. In the previous week 1,486,499 bushels were cleared and 19,000 imported into the United States. During the week of July 16, 1937, overseas clearances totalled 1,902,572 bushels and United States imports 244,000 bushels. Clearances from the Port of Montreal totalled 978,911 bushels against 1,215,817 a year ago; Vancouver-New Westminster 376,453 against 62,720; United States Ports, 27,635 against 18,540; Three Rivers, nil (376,495); Sorel, nil (229,000).

Overseas clearances of wheat during the period August 1 to July 16 aggregated 73,970,374 bushels compared with 141,534,608 in the corresponding period last year, while imports into the United States for consumption and milling in bond totalled 2,209,387 bushels against 42,904,397.

Official Estimate of Argentina's Maize Crop

The second official estimate of the volume of Argentina's maize crop is placed at 178,928,000 bushels, an upward revision of one per cent from the first estimate, according to the correspondent of the Dominion Bureau of Statistics at Buenos Aires, reporting under date of July 4. The official report states that the quality of the grain which has been saved is in general defective because of the high moisture content.

May Shipments of Asbestos

Shipments of Canadian asbestos during May were recorded at 31,007 tons compared with 24,642 in April and 37,636 in May, 1937. During the first five months of the current year, 106,952 tons were shipped compared with 162,404 a year ago and 97,245 two years ago.

An advance of 45.9 per cent was shown in the exports of asbestos from Canada in May compared with the tonnage exported in the preceding month; the totals were 30,893 tons and 21,176 tons, respectively. The United States took 46.7 per cent of May exports, Germany 15.7 per cent and Japan 13.0 per cent. Imports of asbestos products into Canada in May were appraised at $82,069 compared with $78,952 in April.

Output of Natural Gas

The May output of natural gas in Canada amounted to 2,127,894,000 cubic feet compared with 2,928,521,000 in the previous month and 1,866,000,000 in May last year. Total output during the five months of the current year totalled 16,268,389,000 cubic feet compared with 14,626,000,000 in the corresponding period of 1937.

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, fell slightly from 84.2 in May to 84.1 in June, moderate gains for foods being more than offset by reductions in fuel, clothing and sundries. Retail prices, including foods, coal, coke, clothing, household requirements, etc., declined from 79.1 to 79.0. When foods were removed from this index, it was 79.9 as compared with 80.5 in May.

Production of Petroleum

The production in Canada of crude petroleum and natural gasoline continues to increase, establishing a new high monthly record in June at 566,086 barrels. In the previous month the total was 464,316 barrels, and in May last year, 192,845. Alberta operators reported an output of 546,719 barrels, made up of 541,810 from the Turner Valley field, 1,153 from the Red Coulee, 1,641 from the Wainwright-Ribstone and 2,115 from the Tabor field. Total Canadian output during the five months ending May was 2,381,771 barrels compared with 852,500 in the corresponding period last year.

Stocks of Canned Fruits and Vegetables

The stocks of canned fruits and vegetables held by canners, wholesale dealers and in chain store warehouses on July 1 were reported at 5,954,664 cases compared with 8,471,739 at April 1 and 4,478,995 on July 1, 1937. Stocks of canned vegetables aggregated 5,087,062 cases compared with 7,119,687 on April 1 and 3,490,265 a year ago. Stocks of canned fruits on hand were 867,602 cases compared with 988,730 on April 1 and 1,352,054 on July 1, 1937.

June Production of Automobiles

During June a total of 14,732 automobiles were manufactured in Canada compared with 18,115 in the previous month and 23,841 in June last year. Production in June this year included 11,014 passenger cars and 3,718 trucks.

Sales and Purchases of Securities
Between Canada and Other Countries

The volume of Canada's international trade in securities declined in May, aggregating $36,506,579 compared with $45,854,055 in the previous month and $55,690,523 in May last year. Sales to all countries totalled $19,713,198 compared with $20,478,339 in April and $26,822,743 in May, 1937. Total purchases were $16,793,381 against $25,375,716 the month before and $28,867,780 a year ago. Securities trade with the United States in May totalled $27,405,264, and with the United Kingdom $5,905,795.

June Canal Traffic

June traffic on the Sault Ste. Marie Canals, Canadian and United States Locks, was considerably lower than it was a year ago, largely due to lower tonnage of iron ore and wheat shipments carried. The total traffic was 5,363,780 tons against 14,160,826 a year ago. Freight traffic on the Welland totalled 1,461,076 tons against 1,659,368 last year. Traffic on the St. Lawrence Canals was also lower, amounting to 1,184,399 tons compared with 1,309,978. Light shipments of wheat and coal were the main factors in this reduction.

June Building Permits

The value of building represented by permits for construction taken out in 58 cities during June was $6,560,419 compared with $6,576,296 in May and $6,005,958 in June, 1937. Authorizations in the first six months of the present year aggregated $25,781,207 compared with $28,056,942 in the corresponding six months of 1937.

Reports Issued During the Week

1. Telegraphic Crop Report, Canada (10 cents).
2. Index Numbers of Wholesale Prices (10 cents).
3. Registrations of Motor Vehicles, 1937 (10 cents).
4. Fifth Annual Report of Mental Institutions, 1936 (25 cents).
5. Preliminary Report on Civil Aviation, 1937 (10 cents).
6. Summary of Canal Traffic, June (10 cents).
7. Car Loadings (10 cents).
8. Sales and Purchases of Securities Between Canada and Other Countries, May (10 cents).
9. Departmental Store Sales, June (10 cents).
10. Summary of Canada's Trade, May (10 cents).
11. Quinquennial Census of Charitable and Benevolent Institutions, June 1, 1936 (25 cents).
12. Automobile Production, June (10 cents).
13. Trade of Canada by Months, April 1935 to June, 1938 (10 cents).
14. Building Permits for June (10 cents).
15. Prices and Price Indexes, June (10 cents).
16. Grain Situation in Argentina (10 cents).
17. Summary of Canada's Domestic Exports, June (10 cents)
18. Asbestos Production, May (10 cents).
19. Asphalt Roofing Sales, June (10 cents).
20. Asphalt Roofing Production, June (10 cents).
21. Rigid Insulating Board Industry, June (10 cents).
22. Fruit and Vegetable Crop Report (10 cents).
23. Petroleum and Natural Gas Production; Gasoline Sales, May (10 cents).
24. Canadian Grain Statistics (10 cents).
25. Preliminary Report on the Stocks of Canned Fruits and Vegetables on Hand, July 1, 1938 (10 cents).