

## WEEKLY BULLETIN

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Weekly Review of Economic Conditions

Two of the six factors showing the trend of economic conditions recorded a gain in the week of July 23. Carloadings and common stock prices were higher, the index of common stock prices having been 107.3 against 106.0. Capitalized bond yields and shares traded showed advance over the same week of 1937, while declines were recorded in other lines.

Carloadings displayed a further gain in the week ended July 16, the index rising from 70 to 72. The deficit in the first twenty-eight weeks of the year from the same period of 1937 was 112,502 cars. Pulpwood and ore were the only commodity groups of the eleven showing an increase.

Commodity prices were reactionary, the index retreating from 79.2 to 78.6. Each of the eight groups, except wood and paper, recorded declines in this comparison. The drop in the index from the same week of last year was 10.3 p.c. Wheat was more than maintained on the Winnipeg exchange, the average for the week having been  $100\frac{1}{2}$  against  $100\frac{1}{8}$  in the preceding week. Coarse grains, however, recorded declines. The advance in bacon hogs continued, reaching a new high at \$12.29. A reaction was shown in medium steers on the Toronto stockyards. Electrolytic copper was strong on the London metal exchange, advancing from £44 5s on the 19th to £46 10s on the 26th. Considerable gains were also recorded in lead and zinc. The price of domestic copper in New York was raised from 9.75 to 10 cents, and export copper advanced from 9.94 to 10.28. Lead and zinc were unchanged.

High-grade bond prices reacted in the week under review, the average weekly yield increasing from 3.01 to 3.06. The  $4\frac{1}{2}$ 's of 1947-57 were 111 against  $111\frac{1}{4}$  on July 19. Other issues also receded to a lower position. The index of capitalized bond yields was still  $9\frac{1}{2}$  p.c. above the same week of 1937, the decline from the preceding week having been 1.6 p.c.

Common stock prices rose to a new high point on the present movement in the week of July 23, the index having been 107.3 against 106.0 in the preceding week. The decline from last year was reduced to less than 20 p.c. Each of the industrial groups, except oils and textiles, recorded gains in the week of July 21. Fifteen power and traction stocks rose from 66.0 to 66.2.

The weekly index based on the six above-mentioned factors was 106.7 in the week of July 23, against 108.3 in the preceding week. The decline of  $1\frac{1}{2}$  p.c. was occasioned by recessions in four of the six major factors. The weekly index advanced at this time last year and the deficit from that time was increased to 6 p.c. Capitalized bond yields and shares traded were the only factors of the six recording increases in this comparison. The standing in the same week of last year was 112.3.

Weekly Index with the Six Components  
1926=100

Week Ended	Car loadings <sup>1</sup>	Whole-sale Prices	Capitalized Bond Yields <sup>2</sup>	Bank Clearings <sup>3</sup>	Prices of Common Stocks	Shares Traded	Weekly Index <sup>4</sup>
July 24, 1937	81.78	87.6	144.9	103.7	133.7	109.0	112.3
July 16, 1938	69.97	79.2	161.3	89.0	106.0	221.1	108.3
July 23, 1938	72.04	78.6	158.7	83.3	107.3	165.7	106.7

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.



## World Wheat Situation

Since the middle of June prices for new-crop futures in all markets have been working irregularly toward lower levels with losses ranging around ten cents for the month. The outlook for world export supplies greatly in excess of import requirements in the coming crop year has been the principal contributing factor. Among the various exporting countries, the United States will have the largest export surplus during the coming season. Total wheat supplies in that country are about 200 million bushels larger than a year ago. If wheat loans under the new Agricultural Act are availed of to the full extent by farmers, around 160 million bushels may be held off the market.

In Europe, the Danubian countries, on the basis of provisional estimates may have an export surplus of 130 to 140 million bushels. Russian winter wheat yields are reported as good, and while there is some doubt about the spring wheat crop in the Volga region, Russia has been pressing winter wheat offers for the past few weeks. Russian, Danubian and the best quality United States wheats will be the principal competitors with Canadian wheats during the coming season, and the extent of selling pressure from those countries will be a factor in determining the level of Canadian prices.

While there are very few estimates of production for the European importing countries already available, a provisional estimate for the importing countries as a whole, based on June condition figures and issued by the International Institute of Agriculture places the 1938 production at 1,160 million bushels, which is 57 million greater than the production of a year ago. France is likely to have a bumper crop, currently estimated at 331 million bushels. With a carry-over of 35 million bushels, France is likely to have an apparent surplus of 60 million. The Government has already indicated that about 37 millions will be retained as a security stock. While it is not the present policy of the Government to export wheat, this country may be seeking export outlets before the year is out.

Crop conditions improved in Italy during May and June, but not sufficiently to justify the optimistic official estimate of 257 million bushels, according to outside opinion. Italy is expected to import from 35 to 40 million bushels during the coming season, but will take the bulk of her imports from the Danubian countries and Argentina. While no official estimate of wheat production in Germany is yet available, and import requirements are difficult to appraise, winter wheat conditions were very good as of July 1, and spring wheat conditions were only slightly less promising. A larger total crop than in 1937 is in prospect.

In both Canada and the United States this year, growers will have some protection by their respective governments in the matter of prices. In Canada, the Prime Minister announced on July 6 that, commencing with August 1, the Canadian Wheat Board would purchase wheat from farmers at prices to be announced later, and accompanied by participation certificates. In the United States, the Secretary of Agriculture announced on July 14, that wheat loans, at farm rates averaging between 59 and 60 cents per bushel, would be made to farmers who have cooperated in the soil conservation programme. An appropriation of \$100,000,000 was made by Congress to provide funds for the loans, and presumably loans on 160 million bushels can be made. Conditions are that the wheat be stored in approved warehouses or inspected and approved farm bins, that the wheat be graded No. 3 or better, and that the wheat be held for seven months when stored in elevators, or until May 31, 1939, when stored on farms.

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## Wheat Stocks in Store

The visible supply of Canadian wheat on July 22 was 21,373,554 bushels compared with 23,335,957 a week ago and 35,196,133 on the corresponding date last year. Stocks on the latest date included 9,228,969 bushels of Durum. Canadian wheat in the United States amounted to 799,000 bushels compared with 690,000 the week before and 4,753,845 a year ago. Stocks of United States wheat in Canada totalled 287,845 bushels against 351,941 in the previous week and 10,967 in 1937. Wheat in rail transit amounted to 2,424,523 bushels and in transit on the lakes 1,174,590 compared with 1,686,533 and 1,206,338 bushels, respectively, for the same period last year.

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### Wheat Marketings

Marketings of wheat in the Prairie Provinces during the week ending July 22 amounted to 645,828 bushels compared with 770,554 in the previous week and 704,700 in the corresponding week last year. The totals follow, by provinces with figures for 1937 in brackets: Manitoba, 116,246 (62,356) bushels; Saskatchewan, 274,389 (367,594); Alberta, 255,193 (274,750). Marketings for the fifty-one weeks ended July 22 were 124,820,836 bushels compared with 164,983,782 in the corresponding period of the previous crop year.

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### Overseas Export Clearances of Wheat

Overseas export clearances of wheat during the week ended July 22 amounted to 1,060,587 bushels compared with 1,382,999 in the previous week and 2,016,358 in the corresponding week last year. Imports into the United States for consumption and milling in bond in the latest week totalled 2,000 bushels compared with 16,000 the week before and 290,000 a year ago. Total clearances from August 1 to July 22 were 75,030,961 bushels compared with 143,550,966 a year ago, while imports into the United States were 2,211,387 bushels against 43,194,397.

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### Canada's Imports in June

Canada's June imports were valued at \$58,946,698 compared with \$75,668,684 in June last year, a decline of \$16,721,986. The value of commodities imported from the United States fell to \$37,038,050 from \$45,621,215, and from the United Kingdom to \$9,235,191 from \$13,392,253. The total from the Straits Settlements fell to \$1,189,064 from \$1,705,172, while the total from British India advanced to \$1,012,969 from \$979,183.

Imports from Australia were valued at \$904,260 against \$1,939,949; Germany, \$818,598 against \$819,608; Jamaica, \$811,833 against \$911,304; British Guiana, \$659,924 against \$407,841; Colombia, \$698,663 against \$542,341; Belgium, \$459,310 against \$662,973; France, \$436,831 against \$550,955; Japan, \$371,361 against \$525,678; Barbados, \$333,265 against \$618,712; Fiji, \$301,222 against \$237,523; Venezuela, \$297,034 against \$180,933; Newfoundland, \$293,610 against \$326,672 and Trinidad and Tobago, \$272,464 against \$195,984.

Some leading commodities were as follows, with figures for June last year in brackets: crude petroleum, \$4,884,000 (\$5,307,000); machinery, \$3,414,000 (\$4,670,000); automobiles and parts, \$2,844,000 (\$4,560,000); coal, \$2,754,000 (\$3,142,000); fruits, \$2,536,000 (\$3,592,000); raw sugar, \$2,365,000 (\$2,137,000); grains and products, \$2,031,000 (\$588,000); cotton, \$1,973,000 (\$3,459,000); wool, \$1,769,000 (\$3,710,000); farm implements, \$1,772,000 (\$1,714,000); books and printed matter, \$1,209,000 (\$1,175,000); gasoline petroleum, \$1,179,000 (\$482,000); plates and sheets, \$1,121,000 (\$3,695,000); electric apparatus, \$1,078,000 (\$1,268,000).

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### Exports of Canadian Asbestos

June exports of Canadian asbestos amounted to 16,306 tons valued at \$1,033,797 compared with 19,057 tons at \$1,264,988 in May and 17,205 tons worth \$975,700 in June last year. The United States took 2,871 tons, France 2,880, Belgium 2,793, United Kingdom 1,975, Japan 1,792, Germany 1,252 and Australia 1,037.

Asbestos sand and waste exports in June totalled 10,234 tons worth \$190,708 compared with 11,836 appraised at \$221,537 in May and 16,526 at \$284,386 in June, 1937. The amount to the United States was 9,239 tons. Exports of asbestos manufactures were valued at \$17,031 compared with \$13,670 in May and \$49,249 in June, 1937.

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### Exports of Rubber

Exports of rubber in June were of the value of \$1,120,806 compared with \$1,270,277 in May and \$1,405,808 in June, 1937. Pneumatic tire casings were worth \$571,524, going to 70 markets. Exports of boots and shoes of rubber or part rubber totalled in value \$277,947.

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### Exports of Farm Implements

The value of Canada's June exports of farm implements was \$1,148,011 compared with \$887,001 in May and \$1,051,889 in June last year. Argentina was the leading purchaser with a total of \$442,474, consisting largely of reaper-threshers; the United States was next with \$295,276, followed by British South Africa at \$123,851, Australia \$108,633 and the United Kingdom \$72,452.

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### Cheese Imports

Cheese imports in June totalled in value \$18,191 compared with \$38,345 in May and \$16,562 in June last year. Switzerland contributed the bulk, the value of the import from that country being \$9,103, Italy \$2,855, United States \$1,553 and France \$1,173.

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### Exports of Planks and Boards

June exports of Canadian lumber amounted to 166,177,000 feet valued at \$3,527,067 compared with 124,957,000 worth \$2,637,686 in May and 182,191,000 valued at \$4,499,416 in June, 1937. The total to the United Kingdom was 101,538,000 feet and to the United States, 32,981,000. Export shipments of Douglas fir planks and boards were valued at \$1,304,782, and of spruce \$1,178,954.

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### June Exports of Newsprint Paper

June exports of newsprint paper amounted to 3,890,414 cwt. valued at \$8,441,719 compared with 4,181,388 at \$9,135,364 in May and 6,132,911 at \$11,401,687 in June, 1937. The United States took 2,969,326 cwt., the United Kingdom 391,162, Australia 378,863, New Zealand 44,532, Argentina 26,878, Eire 17,820, Cuba 16,722 and British South Africa 14,580.

Exports of wood pulp and screenings totalled 714,143 cwt. worth \$1,672,126 in June compared with 965,925 valued at \$2,469,838 in May and 1,567,647 cwt. appraised at \$3,810,638 in June last year. Total pulpwood exports were 190,084 cords valued at \$1,784,119 compared with 72,946 at \$648,722 in May and 180,499 at \$1,551,172 a year ago. The United States was the leading buyer.

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### Export of Canadian Cheese

Exports of Canadian cheese amounted in value to \$813,604 in June compared with \$570,794 in May and \$1,043,870 in June, 1937. The total to the United Kingdom was worth \$757,592, Trinidad and Tobago \$15,459, United States \$11,170, Newfoundland \$8,202 and Jamaica \$6,383.

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### June Exports of Cattle

June export shipments of cattle aggregated 13,638 head valued at \$666,105 compared with 30,519 head at \$1,370,342 in June, 1937. Of the total in the latest month the United States took 9,746 head and the United Kingdom 3,252. The total included 1,146 head of pure bred cattle for the improvement of stock valued at \$105,185, of which the United States took 1,101 head.

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### Aluminium Exports

Exports of aluminium in blocks, etc. in June totalled 187,860 cwt. valued at \$2,545,682 compared with 130,177 worth \$2,337,784 in May and 126,579 at \$2,294,727 in June last year. The amount to the United Kingdom was 174,560 cwt., Sweden 7,056, Russia 3,115, United States 2,012, Hong Kong 572, Australia 258 and British India 215.

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### Shipments of Portland Cement

May shipments of Portland cement from Canadian plants were recorded at 545,310 barrels compared with 364,096 in the previous month and 557,294 in May last year. During the five months ending May, 1,418,414 barrels were shipped compared with 1,337,323 in the corresponding period of 1937.

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### Output of Silver, Lead and Zinc

Canadian producers reported an output of 1,571,437 ounces of silver in May compared with 1,606,723 in the previous month and 1,352,580 in May, 1937. An advance of 9.2 per cent was recorded in Canada's output during the first five months this year compared with last; the totals were 7,878,275 ounces and 7,212,785, respectively.

May lead production was recorded at 32,408,798 pounds compared with 35,406,758 in April and 34,183,050 a year ago. The five-month total was 167,300,903 compared with 167,162,552 in the corresponding five months last year.

The May zinc output totalled 35,163,472 pounds compared with 33,724,256 the month before and 30,992,408 in the corresponding month last year. Production during the first five months this year aggregated 166,293,961 pounds compared with 133,823,544 a year ago.

Computed on average prices reported during the month, the May output of silver was valued at \$677,148 compared with \$690,618 in the previous month. The lead output was worth \$1,027,683 compared with \$1,230,031, and zinc \$1,041,190 compared with \$1,031,962.

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### Sales of Lime in May

Canadian producers sold or used 41,756 tons of lime in May compared with 39,174 in April and 49,511 in May, 1937. During the five months ending May, 184,742 tons were sold or used compared with 222,200 in the same period last year.

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### June Production of Iron and Steel

Production of pig iron in Canada during June amounted to 64,375 long tons compared with 71,602 in the previous month and 78,278 in June, 1937. Cumulative output for the first six months this year was 404,158 long tons compared with 423,944 in the first half of 1937.

Output of steel ingots and direct steel castings totalled 109,401 tons in June compared with 114,859 in May and 118,744 in June last year. The total for the present month included 103,666 tons of ingots and 5,735 of direct castings. Output during the six months ended June totalled 670,741 tons compared with 713,177 a year ago.

Downward revisions occurred in the prices of scrap iron, range, boilers and galvanized pails during June but other iron and steel products remained firm. Domestic demand for small spot tonnages of iron and steel showed little change from the previous month. No large contracts were reported but substantial British orders are said to be pending.

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### June Sales of New Motor Vehicles

June sales of new motor vehicles were lower than in the corresponding month last year, totalling 11,624 units compared with 17,997; the retail values were \$12,992,722 and \$18,244,997, respectively. Lower sales were reported in all provinces. Sales during the first six months this year were 76,608 units, retailing for \$85,119,873 compared with 94,398 sold for \$95,614,606 in the corresponding six months last year.

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### Production of Concentrated Milk

The June production of concentrated milk totalled 22,304,198 pounds compared with 19,638,875 in the preceding month and 17,406,861 in June, 1937. Evaporated milk and skim milk powder were the principal items of manufacture, both of which show increases in quantity made in the foregoing comparisons.

In the first six months this year, the combined production of all items was 85,994,509 pounds compared with a total of 64,611,981 in the corresponding period of 1937. The production of evaporated milk represented 68 per cent of the total and skim milk powder, 14 per cent.

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### Output of Central Electric Stations

Central electric stations produced 1,973,155,000 kilowatt hours during June compared with 2,081,935,000 in May and 2,255,338,000 in June last year. The consumption of firm power in June totalled 1,457,977,000 compared with 1,502,741,000 in May and 1,496,283,000 a year ago. Exports to the United States amounted to 158,314,000 compared with 155,292,000 in May and 158,657,000 a year ago.

Output of central electric stations during the first half of 1937 totalled 12,715,039,000 kilowatt hours compared with 13,756,132,000 in the corresponding six months last year. The consumption of firm power during the six months amounted to 8,993,561,000 kilowatt hours compared with 8,877,422,000, while exports to the United States aggregated 873,939,000 kilowatt hours compared with 929,617,000.

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### April Revenue Freight Loadings

Revenue freight loaded at Canadian stations and received from foreign connections in April dropped from 6,392,422 tons in 1936 to 5,408,948, a decline of 15.4 per cent. Loadings at stations in Canada decreased by 339,309 tons. Loadings of the five main classifications of freight were as follows, with figures for June 1936 in brackets: Agricultural, 1,062,063 (1,130,596) tons; animal, 164,542 (197,324); mine, 1,879,828 (2,023,072); forest, 552,527 (716,468); manufactures and miscellaneous, 1,749,988 (2,324,962).

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### June Bank Debits

The aggregate of the cheques cashed at the chartered banks of Canada in June was \$2,731,000,000 compared with \$2,462,000,000 in the previous month and \$2,892,000,000 in June last year. A decline in financial transactions of 20 per cent was recorded during the first six months this year compared with the corresponding period of last year, the totals being \$14,585,068,000 and \$18,186,000,000, respectively. Each of the five economic areas recorded declines in this comparison.

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### International Bridge, Tunnel and Ferry Companies

Using the facilities of international bridge, ferry and tunnel companies, a total of 7,474,049 motor vehicles crossed the Ontario-United States boundary in both directions in 1937 compared with 6,450,357 in 1936. 2,247 bicycles and 209 horse-drawn vehicles also made crossings. The number of pedestrians and passengers, other than drivers of vehicles crossing to and from the United States was 21,182,120 compared with 19,251,915 in 1936, and was the highest since 1931 when the total was 26,128,757.

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### Births, Deaths and Marriages

Births registered in June in 67 cities and towns having 10,000 population and over numbered 7,227, deaths 4,122 and marriages 5,089 compared with 7,218 births, 4,510 deaths and 4,521 marriages in June last year, showing practically no change in births, a decrease of  $8\frac{1}{2}$  per cent in deaths and an increase of  $12\frac{1}{2}$  per cent in marriages.

Births registered in the first six months this year totalled 41,591, deaths 26,898 and marriages 17,948 against 40,250 births, 28,479 deaths and 16,739 marriages in the corresponding six months last year. This comparison shows increases of three per cent in births and seven per cent in marriages; and a decrease of  $5\frac{1}{2}$  per cent in deaths.

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### Motor Fatalities

Deaths from motor vehicle accidents during 1937 totalled 1,626 against 1,316 in 1936 and 1,224 in 1935. The death rate from this cause was 14.6 per 100,000 population compared with 11.9 in 1936 and 11.2 in 1935. The number of deaths and the death rate in 1937 were the highest during the period 1926-1937.

The deaths from motor vehicle accidents by provinces in 1937 were as follows, with figures for 1936 in brackets: Prince Edward Island, 7 (7); Nova Scotia, 83 (60); New Brunswick, 67 (41); Quebec, 405 (371); Ontario, 772 (564); Manitoba, 66 (53); Saskatchewan, 47 (47); Alberta, 55 (72); British Columbia, 124 (101). Thus, six provinces showed a greater number of deaths in 1937 than in 1936, two the same number and one province a smaller number.



Saskatchewan had the lowest provincial death rate from motor vehicle accidents in 1937, namely 5.0 per 100,000 population and Alberta stood next with a rate of 7.1. The highest provincial rate was 20.8 in Ontario, followed by British Columbia with a rate of 16.5.

The number of deaths in Canada from external violence during 1937 was 7,335 compared with 7,463 in 1936 and 6,898 in 1935. The rate per 100,000 population was 66 in 1937, 68 in 1936 and 63 in 1935. Over the period 1926 to 1937 the highest death rate recorded from external violence was 73 in 1930.

Suicides numbered 976 compared with 928 in 1936 and 905 in 1935. There were 138 homicides compared with 137 in 1936 and 153 in 1935. Drownings, exclusive of those occurring in mines and in land or air transportation totalled 874. Accidents in mines and quarries were responsible for 251 deaths, and air transportation accidents 29.

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#### Reports Issued During the Week

1. Telegraphic Crop Report, Prairie Provinces (10 cents).
  2. Weekly Index Numbers of Wholesale Prices (10 cents).
  3. Output of Central Electric Stations, June (10 cents).
  4. Registrations of Births, Deaths and Marriages, June (10 cents).
  5. Traffic Report of Railways, April (10 cents).
  6. Advance Report on the Fisheries of New Brunswick, 1937 (10 cents).
  7. Domestic Exports to Principal Countries, June (10 cents).
  8. Cement, Clay Products and Lime, May (10 cents).
  9. International Bridge, Tunnel and Ferry Companies, 1937 (15 cents).
  10. Manufacturing Industries of the Province of Quebec, 1936 (25 cents).
  11. Canadian Grain Statistics (10 cents).
  12. Production of Iron and Steel, June (10 cents).
  13. Summary of Canada's Imports, June (10 cents).
  14. Bank Debits to Individual Accounts, June (10 cents).
  15. Advance Report on the Fisheries of Nova Scotia, 1937 (10 cents).
  16. The Public Debt of Canada, Dominion and Provincial Governments, 1937; and Municipalities, 1936 (25 cents).
  17. The Dairy Situation in Canada, Spring Quarter (10 cents).
  18. Car Loadings (10 cents).
  19. Production of Concentrated Milk, June (10 cents).
  20. Silver, Lead and Zinc Production, May (10 cents).
  21. Financing of Motor Vehicle Sales, June (10 cents).
  22. Exports of Living Animals, June (10 cents).
  23. Exports of Lumber, June (10 cents).
  24. Exports of Milk, Milk Products and Eggs, June (10 cents).
  25. Exports of Paints and Varnishes, June (10 cents).
  26. Exports of Pulp Wood, Wood Pulp and Paper, June (10 cents).
  27. Exports of Non-Ferrous Ores and Smelter Products, June (10 cents).
  28. Monthly Review of the Wheat Situation (10 cents).
  29. Security Prices and Foreign Exchange (10 cents).
  30. Asbestos Trade of Canada, June (10 cents).
  31. Exports of Petroleum and Its Products, June (10 cents).
  32. Exports of Rubber and Insulated Wire and Cable, June (10 cents).
  33. Exports of Farm Implements and Machinery, June (10 cents).
  34. Imports of Milk and Its Products and Eggs, June (10 cents).
  35. Deaths Due to Motor Vehicle Accidents, 1937 (10 cents).
  36. Deaths from External Violence, 1937 (10 cents).
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