

WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce

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Weekly Review of Economic Conditions

Four of the six major factors indicating the trend of economic conditions recorded gains in the last week of July. Wholesale prices and capitalized bond yields showed a decline, continuing the reaction of preceding weeks. A slight gain was shown in carloadings but the freight movement was considerably below the position of last year. The index of common stock prices advanced from 107.3 to 107.4, reaching a new high point for recent months.

High-grade bond prices and speculative trading were at a higher level in the last week of July than in the same week of 1937. The other four factors showed a decline in this comparison.

The railway freight movement showed some improvement during the week under review. Considerable recession was shown in the first six months of the present year from the same period of 1937. The total movement this year was 1,129,000 cars against 1,124,000 last year, a decline of 7.7 per cent. The index of the physical volume of business in its final form for June was 108.3 against 110.7 in the preceding month. The index averaged 110.1 for the first six months of the present year against 120.4 in the same period of 1937, a decline of 8.6 per cent.

The decline in wholesale prices in evidence for the four preceding weeks continued, the index dropping from 78.6 to 78.0. An important element in this reaction was the decline in grain prices on the Winnipeg Exchange, No. 1 Northern wheat reacting from 100½ to 94 3/8.

Livestock prices were uneven on the Toronto Stockyards, a gain being shown in medium steers while bacon hogs recorded reaction. Electrolytic copper on the London Exchange rose from £46 10s on July 26 to £47 on August 2. Declines, however, were shown in the London prices of lead and zinc. Copper was strong at New York, advancing from 10 to 10 1/8. Lead and zinc prices were maintained at the same level as one week ago.

The average weekly yield of high-grade bonds increased from 3.06 to 3.09 and prices declined accordingly. During the first part of the present week, however, prices were firm, the 3s of 1950-55 moving up from 98½ on July 26 to 98 7/8 on August 2. While high-grade bonds have now shown a reaction for four weeks, the position is still very much higher than at this time last year.

Common stock prices showed an uneven trend in the week ended July 28, five of the nine industrial groups recording an increase. The general index advanced from 107.3 to 107.4. Power and traction stocks showed a slight appreciation, the index moving up from 66.2 to 66.5. Common stocks advanced sharply for three weeks and were fairly well maintained at the new height until the end of July.

The weekly index based on the six above-mentioned factors rose from 106.7 in the week of July 23 to 106.8 in the week under review. The increase of 1/10 of one per cent was due to advances in carloadings, bank clearings, common stocks and speculative trading. The standing of the index one year ago was 110.1, a decline of 3 per cent being indicated. Four of the six factors showed declines from last year while advances were recorded in capitalized bond yields and in the number of shares traded on the stock exchanges.

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	Weekly Index ⁴
July 31, 1937	81.77	86.7	145.5	90.0	134.7	110.0	110.1
July 23, 1938	72.04	78.6	158.7	83.3	107.3	165.7	106.7
July 30, 1938	72.32	78.0	157.0	85.7	107.4	222.4	106.8

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.

Index Numbers of Wholesale Prices

The Dominion Bureau of Statistics index number of wholesale commodity prices stood at 78.0 for the week ending July 29 compared with 78.6 in the previous week and 86.7 in the corresponding week last year. The indexes for the various main groups were as follows with those for the previous week in brackets: Vegetable products, 72.8 (74.7); animals and products, 78.1 (78.4); fibres, textiles, 67.2 (67.2); wood and paper, 76.3 (76.5); iron and products, 97.8 (97.8); non-ferrous metals, 70.8 (70.3); non-metallic minerals, 86.7 (86.7); chemicals and allied products, 79.3 (79.1); Canadian farm products, 69.8 (71.8).

Wheat Stocks in Store

The visible supply of Canadian wheat on July 29 was 19,709,319 bushels compared with 21,773,554 a week ago and 33,285,281 on the corresponding date last year. Stocks on the latest date included 8,393,255 bushels of Durum. Canadian wheat in the United States amounted to 983,000 bushels compared with 799,000 the week before and 4,111,290 a year ago. Stocks of United States wheat in Canada totalled 327,722 bushels against 287,845 in the previous week and 122,892 in 1937. Wheat in rail transit amounted to 1,635,832 bushels and the amount in transit on the lakes was 1,136,358 compared with 1,364,211 and 1,542,782 bushels respectively for the same period last year.

Overseas Export Clearances of Wheat

Overseas export clearances of wheat during the week ended July 29 amounted to 1,594,408 bushels compared with 1,060,587 in the previous week and 2,335,770 in the corresponding week last year. Imports into the United States for consumption and milling in bond in the latest week totalled 3,000 bushels compared with 2,000 the week before and 284,000 a year ago. Total clearances from August 1 to July 29 were 76,625,369 bushels compared with 145,886,736 a year ago, while imports into the United States were 2,214,387 bushels against 43,478,397.

Overseas clearances during the week of July 29 follow by ports with figures for 1937 in brackets: Montreal, 1,102,078 (1,538,726); United States Ports, 338,289 (448,263); Three Rivers, 143,795 (nil); Vancouver-New Westminster, 10,246 (30,781); Sorel, nil (318,000).

Wheat Marketings

Marketings of wheat in the Prairie Provinces during the week ending July 29 amounted to 580,336 bushels compared with 645,828 in the previous week and 612,671 in the corresponding week last year. The totals follow, by provinces with figures for 1937 in brackets: Manitoba, 186,418 (74,958); Saskatchewan, 174,708 (331,021); Alberta, 219,210 (206,692) bushels. Marketings for the fifty-two weeks ended July 29 were 125,401,172 bushels compared with 165,596,453 in the corresponding period of the previous crop year.

Retail Sales in June

Dollar value of consumer purchasing in Canada gained 5 per cent in June over May and was only 1 per cent lower than in June a year ago. The general index (on the base 1930 equals 100) stands at 81.5 for June, 77.7 for May and 82.4 for June, 1937.

All lines of trade averaged lower in June this year than last excepting only groceries and meats which recorded a gain of 7 per cent. Declines were most marked for those lines of trade dealing primarily in durable merchandise; furniture store sales were down by 15 per cent and music and radio stores 13 per cent. All branches of the clothing trades were down, both men's and women's clothing stores averaging 6 per cent lower in June this year than last while shoe store sales were down 2 per cent. In the general merchandise group decreases of 4 per cent for department stores and 6 per cent for variety stores were reported. Restaurants were off 6 per cent and candy stores 4 per cent, while sales of drugs and hardware stores were practically unchanged from June last year.

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Wholesale Trade in June

The dollar value of wholesale sales in Canada increased 5 per cent in June compared with May and was practically unchanged from June last year. The decline of only 0.1 per cent in June this year compared with last continues the improvement begun in May when sales were down by 1 per cent from the same month in the preceding year. Corresponding-month comparisons for this year and last for earlier periods showed losses of 5 per cent for April, 4 per cent for March, and 3 per cent for January and February. The composite index for the nine lines of business on the base 1930 equals 100 stands at 100.3 for June, 95.5 for May, and 100.4 for June last year.

Sales in all branches of the dry goods and apparel group continue to show marked decreases from 1937. Clothing was 15.5 per cent lower in June, 1938, than in June, 1937; footwear, 5.6 per cent, and dry goods, 14.5 per cent. Hardware sales were also less than in 1937, although the decrease of 4.4 per cent is smaller than has been registered by that group in corresponding-month comparisons for some months. All other groups showed increases in dollar value of sales in June, 1938 over June, 1937. Sales of drugs, and fruits and vegetables increased 1 per cent, while more substantial gains of 3 per cent in the groceries trade, 4 per cent in the automotive equipment trade and 9 per cent in the tobacco and confectionery trade were reported.

Canadian Milling in June

During the month of June, 4,397,902 bushels of wheat were ground in Canadian mills compared with 4,542,258 bushels for the corresponding month of the previous year. In the coarse grain group, all grains -- oats, corn, barley, buckwheat and mixed grain, were higher than for June last year. Totals follow with figures for 1937 in brackets: Wheat 4,397,902 (4,542,258); oats 688,291 (639,628); corn 389,359 (274,441); barley 77,166 (71,977); buckwheat 6,228 (3,539); and mixed grain 861,330 (616,808).

Mill stocks of wheat on June 30, 1938 amounted to 1,838,035 bushels, while for the same month in 1937 the amount was 3,474,532.

Flour production in June, 1938 amounted to 969,207 barrels compared with 1,000,879 for the same month last year. Exports of flour in June, 1938 amounted to 299,503 barrels compared with 389,995 in June, 1937.

July Employment Situation

Further improvement was shown in the employment situation at the beginning of July, 10,791 employers having an aggregate payroll of 1,086,773 persons compared with 1,072,123 at June 1. There was however, a decline from July 1, 1937, when 10,271 reporting firms had 1,134,318 employees. The reported increase in employment over June was not equal to the average gain noted in the experience of the years since 1920, so that while the unadjusted index advanced from 111.9 in the preceding month to 113.5 at the beginning of July, there was a slight falling-off in the seasonally-adjusted index, which declined from 111.9 at June 1 to 111.3.

Employment in manufacturing as a whole showed a slowing-up at the beginning of July. There were gains over June 1 in food, lumber, pulp and paper, beverage, clay, glass and stone and musical instrument factories and in electric light and power, but leather, rubber, tobacco, chemical, textile and iron and steel plants reported curtailment. The losses in textiles and iron and steel were seasonal in character, but they exceeded the average losses recorded at July 1 in the last seventeen years.

Among the non-manufacturing industries, mining, except of coal, communications, services, transportation, trade and construction and maintenance indicated substantial improvement; except in construction, the increase in each of these was equal to or slightly in excess of the average gain indicated at July 1 in the years, 1921-1937. On the other hand, there were seasonal losses in logging and coal mining, while railway construction and maintenance also released employees.

The trend was decidedly upward in all provinces except Quebec, where a moderate recession was indicated. The totals of reporting firms follow by provinces, with figures for June 1 in brackets: Maritime Provinces, 85,302 (81,107); Quebec, 336,922 (338,655); Ontario, 445,081 (438,951); Prairie Provinces, 127,076 (123,512); British Columbia, 92,382 (89,898).

Country General Store Sales

Country general store sales were two per cent higher in June this year than last, according to returns received from more than 700 of these general merchandise stores located in the smaller towns and rural areas. Improved agricultural conditions in the West lead to marked gains in consumer purchasing by rural dwellers in the Prairie Provinces, sales in Manitoba increasing 10 per cent, Saskatchewan five per cent and Alberta four per cent. Quebec sales were up three per cent, while British Columbia remained unchanged. Declines of one per cent in Ontario and five per cent in the Maritimes were reported.

Production of Coal in June

Coal production in Canada during June amounted to 923,113 tons compared with 1,017,337 in the previous month and 1,067,684 in June, 1937. The June output included 839,260 tons of bituminous coal, 7,950 tons of sub-bituminous and 75,903 tons of lignite. Canada's output of coal during the first six months this year aggregated 6,891,020 tons compared with 7,026,099 in the first half of 1937.

Imports of coal in June totalled 1,609,610 tons compared with 1,944,920 a year ago. Anthracite importations amounted to 459,411 tons and consisted of 267,821 from the United States, 144,464 from Great Britain, 42,898 from Germany and 4,228 from Morocco. Receipts of bituminous were made up of 1,145,721 tons from the United States, 2,889 from Great Britain and 1,528 from Germany. Exports of Canadian coal in June amounted to 26,086 tons compared with 33,993 a year ago.

Imports of Crude Petroleum

June imports of crude petroleum amounted to 137,602,000 gallons valued at \$4,866,188 compared with 133,035,000 at \$4,653,538 in May and 156,155,000 worth \$5,235,030 in June last year. The June import came mainly from the United States, the amount being 100,795,000 gallons; Colombia supplied 20,324,000, Venezuela 12,968,000 and Peru 3,515,000. Fuel oil ex-warehoused for ships stores amounted to 2,876,100 gallons compared with 2,438,047 in May and 2,788,124 in June, 1937.

Imported Alumina

Imports of alumina, including bauxite, amounted in June to 841,255 cwt. valued at \$208,303 compared with 785,108 worth \$197,800 in May and 577,673 at \$472,943 in June last year. British Guiana supplied 768,992 cwt and the United States 72,262. The imports of cryolite in June totalled 62,155 cwt. valued at \$257,852 of which 61,600 cwt. came from Greenland.

June Footwear Trade

Leather boots and shoes were imported to the value of \$83,441 in June compared with \$152,366 in May and \$74,051 in June last year. Imports from the United States were valued at \$54,976, the United Kingdom \$23,298 and Czechoslovakia \$3,349. Boots and shoes for women came largely from the United States and those for men mainly from the United Kingdom.

Export of Bacon and Hams

Canada's June export of meats was somewhat lower than in June last year, amounting in value to \$2,826,959 compared with \$4,186,875. The United Kingdom was the leading purchaser with a value of \$2,630,293, the United States being next at \$59,644. Bacon and hams continued to be the leading export, amounting in June to a value of \$2,379,848 compared with \$3,448,064. Soups of all kinds were valued at \$243,968 compared with \$235,452, of which the United Kingdom took \$223,389.

Fisheries of British Columbia

The product of the British Columbia fisheries in 1937 had a total value of \$16,155,439 compared with \$17,231,534 in 1936. These values are for the fish as marketed, whether sold for consumption fresh, or prepared in the various ways as canned, smoked, dried, etc. The salmon is of paramount importance, the drop in the value of this variety accounting for the decline in the total output of the fisheries of this province in 1937.

The catch of British Columbia salmon in 1937 totalled 1,691,736 cwt valued at \$11,907,905, a drop in catch of 303,763 cwt and in marketed value of \$1,479,439 from 1936. The main item in the output of the salmon fishery is the canned product, and this dropped from 1,881,026 cases valued at \$11,128,636 in 1936 to 1,508,577 cases valued at \$9,261,988 in 1937. The habibut and herring fisheries had values of \$1,190,056 and \$1,181,466, respectively.

Reports Issued This Week

1. Coal and Coke Statistics, June (10 cents)
2. Retail Sales in Country General Stores, June (10 cents)
3. July Employment Situation (10 cents)
4. Advance Report on the Fisheries of British Columbia, 1937 (10 cents)
5. Advance Report on the Fisheries of Ontario, Prairie Provinces and Yukon, 1937 (10 cents)
6. Car Loadings (10 cents)
7. Imports from Principal Countries, June (10 cents)
8. Imports of Non-Ferrous Ores and Smelter Products, June (10 cents)
9. Imports of Petroleum and Its Products, June (10 cents)
10. Imports of Paints and Varnishes, June (10 cents)
11. The Footwear Trade of Canada, June (10 cents)
12. Exports of Meats, Lard and Sausage Casings, June (10 cents)
13. Security Prices and Foreign Exchange (10 cents)
14. Weekly Index Numbers of Wholesale Prices (10 cents)
15. Trade Trends with Empire Countries (10 cents)
16. Telegraphic Crop Report, Canada (10 cents)
17. Butter, Cheese and Eggs in Cold Storage
18. Retail Sales in June (10 cents)
19. Wholesale Trade in June (10 cents)
20. Canadian Milling Statistics, June (10 cents)
21. Canadian Grain Statistics (10 cents)
22. Carloadings (10 cents)

