

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 recorded gains in the second week of August. Minor declines were shown in common stock prices and in speculative trading while the business factors, including car loadings and wholesale prices, also reached lower levels. Gains over the same week of 1937 were shown in high-grade bond prices and in speculative trading while the other four factors used in this connection showed declines.

The railway freight movement recorded slight reaction in the 31st week of the year ended August 6. The adjusted index of car loadings declined from 73.9 in the preceding week to 71.5. The total freight movement in the first 31 weeks of the year was 1,352,000 cars against 1,483,000 in the same period of 1937.

Merchandise exports recorded a contraseasonal advance in July over the preceding month, the total having been \$78.7 million against \$78.3 million. Marked gains were shown in the exports of copper, nickel and zinc, the outward movement of nickel having been 14.6 million pounds against 9.4 million in June. The increase was greatly in excess of seasonal expectations.

The most reactionary factor of the week was the further decline in wholesale prices due in large measure to the drop in crop products brought about by excellent harvest prospects. Declines occurred in five of the eight major groups comprising the index, while three remained unchanged. The index of non-ferrous metals reacted from 70.7 to 70.3. The average price of No. 1 Northern wheat on the Winnipeg Exchange was 82 7/8 against 85 1/2 in the week of August 6. Metals reacted on the London Exchange, electrolytic copper dropping from £46 15s to £45 on the 16th. Export copper at New York was 10 cents against about 10.38 on August 9. Domestic copper was steady at 10 1/8 cents. A slight reduction was shown in the price of lead while zinc remained unchanged at 4.75.

High-grade bonds fluctuated within narrow limits, a gain being shown during the week ended August 11. The average yield showed a corresponding loss from 3.08 to 3.02. Some recession was shown at the beginning of the present week, the 4 1/2's of 1947-57 dropping from 111 3/4 on August 9 to 111 5/8 on August 16. British Consols at London recorded a gain for the week but the Dow-Jones average of 40 high-grade United States bonds showed further decline.

Common stock prices were well maintained for the fifth consecutive week following the marked advance during the latter part of June and the early part of July. The index of 95 common stocks was 106.6 in the week of August 11 against 106.7 in the preceding week. Four of the nine industrial groups recorded gains while the index of 15 power and traction stocks dropped from 66 to 65.5.

The composite of the six above-mentioned factors was 108.5 in the week of August 13 against 108.0 in the preceding week, a gain of 1/2 p.c. Capitalized bond yields and bank clearings recorded a gain while the other four factors were in arrears. Two of the six factors recorded gains over the same week of 1937, when the index stood at 111.7. Consequently, the indicated decline from one year ago was 2.8 p.c.

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
Aug. 14, 1937	81.9	85.9	146.6	98.2	136.7	101.6	111.7
Aug. 6, 1938	73.9	77.2	157.7	94.5	106.7	126.5	108.0
Aug. 13, 1938	71.5	76.6	160.8	96.1	106.6	125.7	108.5

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

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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.

Gold Production in June

The June production of gold in Canada set up a new high monthly record at 390,693 ounces. In May 381,089 ounces were produced, while in June last year the total was 344,895. The average price in June was \$35.36 per ounce in Canadian funds, at which price the output was worth \$13,814,904. In the previous month gold averaged \$35.22 per ounce and the computed value of the output was \$13,421,955. Production during the first six months this year aggregated 2,213,168 ounces compared with 1,973,251 a year ago and 1,775,708 two years ago.

The output of gold from Ontario sources in June amounted to 237,512 ounces, made up of 101,709 ounces from the Porcupine camp, 88,055 from the Kirkland Lake area and 47,748 from other sources. During the preceding month the Porcupine camp produced 101,767 ounces, the Kirkland Lake area 89,081, and other sources 50,516. Quebec operators produced 64,413 ounces compared with 68,009 the month before and 55,111 in June, 1937. Aggregated output for the first six months was 424,511 ounces against 340,466 a year ago.

British Columbia's output advanced to 54,176 ounces in June from the May total of 48,783. In June last year 42,201 ounces were produced. Operators in Manitoba and Saskatchewan accounted for an output of 20,965 ounces, a gain of 11.4 per cent over May. Yukon output rose to 11,014 ounces from last year's total of 6,620. Nova Scotia shipments to the Royal Canadian Mint amounted to 2,588 ounces against 2,119 in May and 1,639 in June last year.

The gold content of the receipts of jewellery and scrap at the Royal Canadian Mint in June totalled 1,232 ounces compared with 1,320 in May and 2,024 ounces in the corresponding month last year.

May Output of Feldspar

Shipments of feldspar during May rose to 1,128 tons from the total for the previous month of 586 tons. A year ago 1,224 tons were shipped. Total shipments during the first five months this year were 4,578 tons compared with 7,048 in the corresponding period of 1937.

Shipments of Commercial Salt

Canadian producers shipped 25,662 tons of commercial salt in May compared with 27,419 in April and 24,343 in May, 1937. During the period January to May, 90,511 tons were shipped compared with 87,564 in the corresponding period of 1937.

June Copper Production

The June copper production was 48,489,958 pounds compared with 48,429,331 in May and 42,549,292 in June, 1937. Production during the first six months of 1938 was 292,048,917 pounds as against 243,604,966 in 1937 and 205,503,521 in 1936.

Nickel Production in June

Nickel production in June amounted to 16,327,169 pounds compared with 18,620,908 in May and 20,959,736 in June, 1937. The six months production was 108,995,141 pounds compared with 111,336,337 in 1937 and 82,951,649 in 1936.

Production of Leading Minerals

The production of Canada's leading mineral products during the first five months this year was as follows, with figures for the corresponding period of 1937 in brackets: asbestos, 106,952 (162,404) tons; cement, 1,418,414 (1,337,323) barrels; clay products, \$1,135,561 (\$1,110,631); coal, 5,967,907 (5,958,415) tons; copper, 243,558,959 (201,055,674) pounds; feldspar, 4,578 (7,048) tons; gold, 1,827,475 (1,628,356) fine ounces; gypsum, 178,673 (215,930); lead, 167,300,903 (167,162,552) pounds; lime, 184,742 (222,200) tons; natural gas, 16,268,389,000 (14,626,000,000) cubic feet; nickel, 92,667,972 (90,426,601) pounds; petroleum, 2,381,771 (852,500) barrels; commercial salt, 90,511 (87,564) tons; silver, 7,878,275 (7,212,785) fine ounces; zinc, 166,293,961 (133,723,544) pounds.

Domestic Exports in July

Canada's domestic exports in July were valued at \$66,916,000 compared with \$99,158,000 in July last year, most of the chief commodities recording declines. Leading commodities were as follows, with figures for July 1937 in brackets: newsprint paper, \$9,332,000 (\$11,966,000); wheat, \$7,455,000 (\$12,291,000); copper, \$4,042,000 (\$6,040,000); nickel, \$3,493,000 (\$4,672,000); planks and boards, \$3,454,000 (\$4,319,000); meats, \$2,861,000 (\$3,497,000); fish, \$2,083,000 (\$2,482,000); pulp wood, \$2,076,000 (\$1,750,000); automobiles and parts, \$1,874,000 (\$3,030,000); wood pulp, \$1,868,000 (\$3,631,000); cheese, \$1,693,000 (\$2,256,000); wheat flour, \$1,375,000 (\$1,986,000); asbestos, \$1,143,000 (\$1,345,000); rubber, \$1,103,000 (\$1,554,000); aluminium, \$980,000 (\$408,000); whiskey, \$938,000 (\$1,244,000); shingles, \$858,000 (\$514,000); cattle, \$802,000 (\$1,930,000); machinery, \$777,000 (\$1,224,000); barley, \$741,000 (\$438,000); raw gold, \$735,000 (\$654,000); furs, \$659,000 (\$1,021,000); silver, \$683,000 (\$808,000); farm implements, \$553,000 (\$1,324,000); lead, \$544,000 (\$1,553,000).

Exports to the United States

Canada's exports to the United States during the seven months ended July of principal commodities affected by the trade agreement amounted in value to \$97,735,000 compared with \$147,390,000 in the corresponding seven months of 1937. Total domestic exports to the United States during the seven months were \$143,462,000 compared with \$271,124,000 a year ago.

Leading exports under the agreement were as follows, with figures for 1937 in brackets: newsprint, \$44,185,695 (\$58,343,339); wood pulp, \$10,791,181 (\$19,753,028); whiskey, \$5,629,928 (\$10,139,906); pulpwood, \$5,276,773 (\$5,045,669); softwood planks and boards, \$5,254,541 (\$8,119,707); shingles, \$3,294,321 (\$3,599,676); cattle, \$2,352,899 (\$8,726,577); cyanamid, \$2,102,747 (\$2,220,580); artificial crude abrasives, \$1,840,680 (\$3,180,607); asbestos, \$1,672,082 (\$2,971,785); fresh lobsters, \$1,498,307 (\$1,874,854); whitefish, \$946,686 (\$891,613); logs, \$813,741 (\$675,239); reaper threshers, \$731,011 (\$234,009); nickel in matte or spoiss, \$779,004 (\$1,480,299); maple sugar, \$792,954 (\$227,028); mink skins, \$746,033 (\$877,131); horses, \$550,781 (\$1,064,572); hardwood planks and boards, \$531,959 (\$1,250,161).

External Trade of United Kingdom

According to an official report received by the Dominion Bureau of Statistics, the external trade of the United Kingdom during the first half of 1938 aggregated £735,659,217 compared with £775,870,385 in the corresponding six months of 1937, a decline of £40,209,168.

The value of imported commodities declined nearly three per cent to £469,617,648 from £484,100,792. Domestic exports totalled £233,193,516 compared with £251,214,245, a drop of over seven per cent. Re-exported commodities were worth £32,848,053 compared with £40,553,348, declining 19 per cent.

Wheat Export in Crop Year

The export of wheat during the crop year ending July 31 amounted to 76,713,595 bushels compared with 174,858,160 in the previous crop year. The value was \$93,883,497 as against \$198,403,951.

The export to the United Kingdom was 55,443,863 bushels compared with 124,368,897 and the value \$68,988,650 compared with \$141,753,615. To the United States the export was 1,802,502 bushels compared with 14,868,352 and the value \$1,759,393 as against \$15,788,844.

The July export of wheat amounted to 7,248,115 bushels of which 4,242,644 went to the United Kingdom. The total value was \$7,455,209 as against \$12,291,291 last year when the quantity sold abroad was 8,602,689 bushels.

Wheat Flour Exports

Wheat flour exports in July amounted to 282,985 barrels valued at \$1,375,486 compared with 334,964 at \$1,985,590 a year ago. More than half of the export was consigned to the United Kingdom.

July Exports of Coarse Grains

The following were the July export of coarse grain with the 1937 figures in brackets: barley 1,297,989 bushels at \$741,224 (567,754 at \$438,287); oats 583,033 at \$280,640 (556,551 at \$351,141); rye 109,080 at \$31,189 (189,572 at \$211,672). Most of the barley and oats went to the United Kingdom.

Carry-over of Wheat

The total stocks of wheat in Canada at July 31, 1938 were 23,411,171 bushels. This amount represents a reduction of 9,526,820 bushels from last year's revised total of 32,937,991 bushels, and is the lowest carry-over of wheat in Canada since 1923 when 11,690,296 bushels were reported on September 1.

Wheat Stocks in Store

The visible supply of Canadian wheat during the week ended August 12 was 17,634,337 bushels compared with 18,514,053 in the previous week and 29,227,704 in the corresponding week last year. Stocks of Canadian wheat in the United States amounted to 767,000 bushels compared with 1,111,000 the week before and 5,318,720 in 1937. United States wheat in Canada was 230,719 bushels against 282,984 in the previous week and 552,333 a year ago. Wheat in rail transit totalled 1,550,055 bushels against 838,762 the week before and 339,237 last year. Lake transit wheat totalled 1,840,966 bushels against 2,721,699 in the previous week and 1,442,291 a year ago.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces for the week ending August 12 amounted to 1,394,867 bushels compared with 372,110 in the previous week and 1,184,503 in the same week last year. Marketings in the two weeks ending August 12 totalled 1,766,977 bushels compared with 1,387,156 in the corresponding period of the previous crop year. Marketings in the latest week follow, with figures for 1937 in brackets; Manitoba, 654,603 (311,372) bushels; Saskatchewan, 277,409 (499,384); Alberta, 462,855 (373,737).

Departmental Store Sales

Department store sales during July dropped 26 per cent below June, of slightly more than the usual seasonal decline. The decrease of 10 per cent from July last year was partly due to the fact that five Sundays occurred in July this year, whereas there were only four in the corresponding month last year. The unadjusted index, on the base 1930=100, was 57.1 compared with 77.6 for June and 62.6 for July, 1937. Department store sales during the first seven months this year were three per cent lower than in the corresponding period of 1937.

Crop Conditions in Argentina

Much drier weather prevailed in Argentina during July than in the two preceding months, although occasional rains and showers provided ample moisture for the new crops already planted and kept the land in excellent shape for cultivation, according to the correspondent of the Dominion Bureau of Statistics in Buenos Aires reporting under date of August 4.

The drier atmosphere, aided by brief spells of mild frost, favoured the winding up of the maize harvest, which has now practically concluded, except in some late districts. Shelling is well advanced, although it is not being particularly pressed at the moment. Growers are hoping that a little further delay will improve the condition of the grain and also help to stiffen prices a little. The quality of the grain is proving a great disappointment, being inferior to even the very modest hopes still entertained by the farmers after an unusually difficult and trying season.

Seeding of wheat is well advanced, and in most districts is practically concluded. While there have been some losses of area in low-lying zones, it is generally believed that the acreage will show a net increase over that of last season. The grain is germinating well, and the plants above ground show a strong and even growth. Work on the land intended for linseed has made good progress and in the early fields already planted germination and growth are very satisfactory.

Manufacturing in Ontario

Ontario is the most important manufacturing province of the Dominion, having a value of production in 1936 of \$1,547,551,931, an increase of 13.5 per cent over 1935. This was the highest point reached since 1930 when the total value was \$1,653,623,909. The favourable position held by the province of Ontario is not of recent growth, but has been maintained over a long period of years. In spite of the rapid industrial development in recent years in other provinces, Ontario is maintaining a manufacturing production equal to that of the remainder of the Dominion.

In gross value of production, non-ferrous metal smelting and refining leads the list with an output valued at \$137,344,892. Other leading industries in order of value follow: automobiles, \$103,751,229; slaughtering and meat packing, \$65,339,616; flour and feed mills, \$62,965,447; pulp and paper, \$59,166,958; electric apparatus and supplies, \$55,800,685; butter and cheese, \$50,722,285; rubber goods, including footwear \$50,519,863.

Toronto with a production valued at \$417,724,888 accounted for 27 per cent of the entire output of the province. Hamilton came second with \$130,578,232 and Windsor third with \$104,556,881. These three cities accounted for 42.2 per cent of the total production of the province as a whole.

Manufacturing in British Columbia and the Yukon

The general improvement in manufacturing production commenced in the summer of 1933 was maintained during the past three years. Compared with the previous year there was an increase in 1936 of 9.6 per cent in employment and 14.7 per cent in the salaries and wages paid. An increase of 16.9 per cent was also recorded in the gross value of production, 14.8 per cent in the cost of materials used and 19.8 per cent in the value added by manufacture.

Construction in Winnipeg

The value of construction work performed in Winnipeg, including work undertaken by the municipalities comprising Greater Winnipeg amounted in 1937 to \$8,698,036, an increase of \$32,158 over the 1936 value and of this, new construction accounted for \$4,543,348, while additions, alterations and repairs amounted to \$4,154,688. Sub-contract work in these years, which is included in the foregoing figures, amounted to \$1,389,630 with \$920,153 being new construction and \$469,477 chargeable to additions, alterations and repairs.

Ottawa Construction

Construction work in Ottawa in 1937 amounted in value to \$6,242,021, an increase of \$429,732 or 7.4 per cent over 1936. New construction had a value of \$3,869,077. Employment was furnished to 2,383 persons, or 1,298 under the 1936 employment, the difference being caused by a more accurate method of computing men employed, principally relief labour, by the corporation.

Stocks of Canned Fruits and Vegetables

Final figures compiled by the Dominion Bureau of Statistics show the stocks of canned vegetables held by cannors, wholesale dealers and chain store warehouses totalled 5,309,875 cases at July 1 compared with 3,490,265 at July 1, 1937, and 7,119,687 on April 1. The stocks of canned fruits aggregated 912,221 cases compared with 988,730 on the first of July last year and 1,352,054 on April 1.

Production of Automobiles

Production of automobiles in Canada reached the low for the year in July, amounting to 9,007 units. This output compares with 14,732 in June and 17,941 in July a year ago. Passenger car output for the month was reported at 5,273 units and commercial vehicles 3,734. Of the total, 2,095 passenger cars and 2,019 trucks were made for sale in Canada with the balance of 3,178 passenger cars and 1,715 trucks being intended for export.

Summary of Canal Traffic

The tonnage of freight passing through the locks of the Sault Ste. Marie Canals, Canadian and United States locks during July was 5,551,693 tons as against 14,137,093 in July last year. Down-bound iron ore shipments declined from 11,208,235 tons last year to 3,210,184 and up-bound coal decreased from 2,028,162 tons to 1,365,129. Wheat increased from 5,822,967 bushels to 6,624,604 and other grains from 1,757,710 to 9,115,161 bushels.

Total freight using the Welland Ship Canal dropped to 1,529,330 tons in July this year from 1,633,616 last year. Soft coal was lighter by 161,019 tons and iron ore, other ores, petroleum and other oils, iron (pig and bloom), iron and steel, and wood pulp all showed substantial decreases. Flaxseed was down by 5,993 tons, but barley, corn, oats and wheat showed increases.

Freight on the St. Lawrence Canals fell to 1,178,255 tons from 1,285,873 a year ago. The only large increases were shown for barley, oats, gasoline, sugar, pulpwood, hard coal and iron ore. Soft coal, coke iron (pig and bloom), and iron and steel decreased.

Reports Issued This Week

1. Manufacturing Industries, British Columbia and the Yukon, 1936 (25 cents)
 2. Construction in Ottawa, 1937
 3. Construction in Winnipeg, 1937
 4. Summary of Exports of Canadian Grains and Flour
 5. Copper and Nickel Production, June
 6. Security Prices
 7. Final Report on the Stocks of Canned Fruits and Vegetables on Hand, July 1 (10 cents)
 8. The Hardware, Tools and Cutlery Industry, 1936 (10 cents)
 9. Telegraphic Crop Report - Canada (10 cents)
 10. Index Numbers of Wholesale Prices (10 cents)
 11. Canadian Grain Statistics (10 cents)
 12. Summary of Canal Traffic, July (10 cents)
 13. Departmental Store Sales, July (10 cents)
 14. Canada's Leading Mineral Products, May (10 cents)
 15. Summary of Domestic Exports, July (10 cents)
 16. Manufacturing Industries of the Province of Ontario, 1936 (25 cents)
 17. The Grain Situation in Argentina (10 cents)
 18. Automobile Production, July (10 cents)
 19. Feldspar and Salt Production, May (10 cents)
 20. Gold Production, June (10 cents)
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