

WEEKLY BULLETIN

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Weekly Review of Economic Conditions

Three of the factors indicating the trend of economic conditions recorded a gain in the week ended September 10. The rise in car loadings was nearly 3 p.c. while a gain of more than 6 p.c. was shown in the adjusted index of bank clearings. A temporary advance was recorded in common stock prices, the index for the week of September 8 showing a gain of more than 1 p.c. over the preceding week. The position was reversed since the first of the present week due to adverse European developments. Bond prices were higher than in the same week of 1937, while the other five economic factors recorded decline.

Heavy loading of Western grain was the chief factor in raising car loadings during the thirty-fifth week of the year ended September 3. The index, adjusted for seasonal variation, showed further advance following the rapid rises of the two preceding weeks. The increase in the grain movement over the first thirty-five weeks of 1937 was nearly 10,000 cars. Gains were also recorded in the loadings of pulpwood and ore, the latter showing a gain of 14,500 cars.

Preliminary statistics for the month of August are predominantly constructive. The manufacture of sugar increased from 86.3 million pounds to 100.7 million in the latest four-week period, the index advancing about five points to 90.5. The output of creamery butter recorded a gain after seasonal adjustment, the index having been 154 against 148.5. The recession in the output of factory cheese was slightly greater than normal for the season. The consumption of raw cotton recorded a considerable gain, contrary to seasonal tendencies. The total in August was 8.7 million pounds against 7.6 million pounds in July. A moderate increase was shown in the new business obtained by the construction industry, the contracts awarded having been \$22.1 million against \$21.2 million.

The general level of wholesale prices dropped in the week ended September 9 in continuance of the downward trend in evidence since the end of June. While textiles dropped slightly, the decline in the general index was mainly due to the reaction in crop products. No. 1 Northern Wheat averaged 59 $\frac{3}{8}$ in the week of September 10 against 63 $\frac{1}{8}$ in the preceding week. Considerable decline was also shown in coarse grains. The price of wheat has recently rallied in view of unsettled European conditions. Metal prices continued strong on the London Exchange, electrolytic copper moving up from £46 10s. to £46 15s. Advances were recorded in tin, lead and zinc, prices of lead having been £15 7s 6d on September 13 against £14 5s on the 6th. Non-ferrous metals were maintained on the New York market, the exception being tin, which showed minor reaction. The index of wholesale prices at 74.0 showed a decline of $12\frac{1}{2}$ p.c. from the standing of 84.6 for the same week of 1937.

Dominion bond prices showed minor reaction in the week of September 8 and further decline was recorded on September 12 and 13. The net result was that the average weekly yield of the issues considered here rose from 3.06 to 3.07. The $4\frac{1}{2}$'s of 1947-57 receded from 111 $\frac{3}{8}$ on September 6 to 110 $\frac{1}{2}$ on the 13th. The 3's of 1950-55 declined from 98 $\frac{7}{8}$ to 98.

Common stock prices in the week of September 8 recovered a portion of the decline of the preceding week, the general index rising from 103.1 to 104.2. Advances during the week were fairly general among the groups of the official classification, but the heightening of tension in Europe led to a drastic reaction on the 13th and 14th. A marked decline occurred during September and October last year and the level of July and August last was somewhat similar to that of the closing months of 1937.

The weekly index based on the above mentioned factors was 110.4 in the week of September 10 against 109.4 in the preceding week. A gain of 0.9 p.c. showed the influence of advances in car loadings, bank clearings and common stocks. The standing in the same week of 1937 was 113.9, the indicated decline having been 3 p.c.

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Weekly Index with the Six Components
1926=100

Week Ended	Car load-ings ¹	Wholesale Prices	Capitalized Bond Yields ²	Bank Clear-ings ³	Prices of Common Stocks	Shares Traded	Weekly Index ⁴
Sept. 11, 1937	92.8	84.6	147.7	106.8	122.7	55.3	113.9
Sept. 3, 1938	85.4	74.6	158.7	93.3	103.1	98.2	109.4
Sept. 10, 1938	87.9	74.0	158.2	99.2	104.2	50.8	110.4

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 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.

Canadian Wheat in Store

The visible supply of Canadian wheat increased 22,943,333 bushels during the week ended September 9, the total being 89,034,161 bushels compared with 66,090,748 in the previous week. In the corresponding week last year the visible was reported at 57,144,285 bushels. Canadian wheat in the United States amounted to 860,000 bushels compared with 634,000 in the previous week and 1,989,314 in the same week last year. Stocks of United States wheat in Canada totalled 83,522 bushels compared with 107,319 the week before and 1,647,375 a year ago. Wheat in rail transit amounted to 14,631,772 bushels and the amount in transit on the lakes was 3,267,893 bushels, compared with 7,158,991 and 2,234,095 bushels, respectively, for the same week last year.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces for the week ending September 9 amounted to 29,206,024 bushels compared with 24,853,649 in the previous week and 10,475,662 in the corresponding week last year. The totals follow by provinces, with those for 1937 in brackets: Manitoba, 5,603,895 (4,931,600) bushels; Saskatchewan, 14,332,054 (2,016,961); Alberta, 9,270,075 (3,527,101).

Marketings in the three Prairie Provinces during the five weeks ended September 9 aggregated 75,586,243 bushels compared with 36,188,510 in the corresponding period of the previous crop year. The totals follow by provinces: Manitoba, 28,663,573 (19,948,945) bushels; Saskatchewan, 29,983,817 (8,268,791); Alberta, 16,938,853 (7,970,774).

Overseas Export Clearances of Wheat

Overseas export clearances of wheat during the week ended September 9 amounted to 1,487,542 bushels compared with 1,923,209 in the previous week and 1,001,092 in the corresponding week last year. Imports into the United States for consumption and milling in bond for re-export totalled 242,000 bushels compared with 168,000 a year ago. Clearances follow by ports, with figures for 1937 in brackets: Montreal, 1,160,142 (735,062) bushels; United States Ports, 177,000 (198,397); Vancouver-New Westminster, 134,400 (67,633); Three Rivers, 16,000 (nil).

Total overseas export clearances during the period August 1 to September 9 were 8,848,862 bushels compared with 7,690,455 in the corresponding period of the previous crop year, while imports into the United States for consumption and milling in bond were 252,000 bushels compared with 1,079,000. Clearances follow, by ports: Montreal, 6,747,972 (5,310,818) bushels; United States Ports, 1,608,724 (1,197,198); Three Rivers, 351,599 (41,078); Vancouver-New Westminster, 140,567 (337,379); Churchill, nil (603,982); Sorci, nil (200,000).

Export Trade in August

Domestic exports in August were of the value of \$83,368,997 compared with \$101,471,260 in August, 1937. Exports of foreign produce were \$3,068,955 as against \$2,867,330. The principal items in August were as follows, with 1937 figures in brackets: Newsprint, \$9,621,715 (\$10,662,990); wheat, \$5,670,536 (\$9,098,765); copper, partially manufactured, \$4,179,784 (\$5,248,576); nickel, \$3,967,955 (\$5,914,020); planks and boards, \$3,346,821 (\$4,448,134); wood pulp, \$2,833,241 (\$3,625,375); meats, \$2,624,781 (\$3,864,902); fish, \$2,059,585 (\$2,011,950); automobiles and parts, \$1,595,310 (\$3,449,960); cheese, \$1,541,820 (\$1,917,577); furs, \$1,287,678 (\$987,493); wheat flour, \$1,269,152 (\$1,780,717).

During the first five months of the current fiscal year the export of domestic produce totalled \$335,964,914 compared with \$483,588,353 in the same period last year. The export of foreign produce was \$36,545,053 compared with \$7,701,369. The following were the chief items of export in the five months, with last year's figures in brackets: Newsprint, \$43,902,196 (\$53,249,647); wheat, \$26,554,085 (\$52,372,526); copper, partially manufactured, \$20,972,284 (\$24,953,630); nickel, \$16,734,697 (\$24,606,612); meats, \$14,887,357 (\$18,548,585); planks and boards, \$14,842,022 (\$19,569,808); wood pulp, \$10,655,803 (\$17,567,278); automobiles and parts, \$10,033,710 (\$13,520,825); fish, \$8,927,440 (\$9,654,381); wheat flour, \$6,879,849 (\$9,914,532); cheese, \$4,872,579 (\$5,684,362); furs, \$3,458,543 (\$5,034,936).

August Export of Wheat

The August export of wheat was 6,266,055 bushels, of the value of \$5,670,536 compared with 6,544,967 at \$9,098,765 in August last year. The amount to the United Kingdom was 3,801,069 bushels compared with 4,945,204. All of the wheat to the United Kingdom was shipped via Canadian sea ports.

The wheat flour export was 286,270 barrels at \$1,269,152 compared with 288,648 at \$1,780,717 a year ago. The amount to the United Kingdom was 151,694 barrels compared with 168,470. The amount which went by Canadian sea ports to the United Kingdom was 151,337 barrels and by United States ports 357.

Coarse Grain Export in August

The August export of barley was 1,253,883 bushels at \$643,336 compared with 774,741 bushels at \$548,686 last year. Practically all of the barley went to the United Kingdom. Export of oats was 701,748 bushels at \$266,704 compared with 307,326 bushels at \$166,626. The rye export was 146,533 bushels at \$71,445 compared with 199,624 at \$168,593. Most of the oats went to the United Kingdom and rye to foreign countries other than the United States.

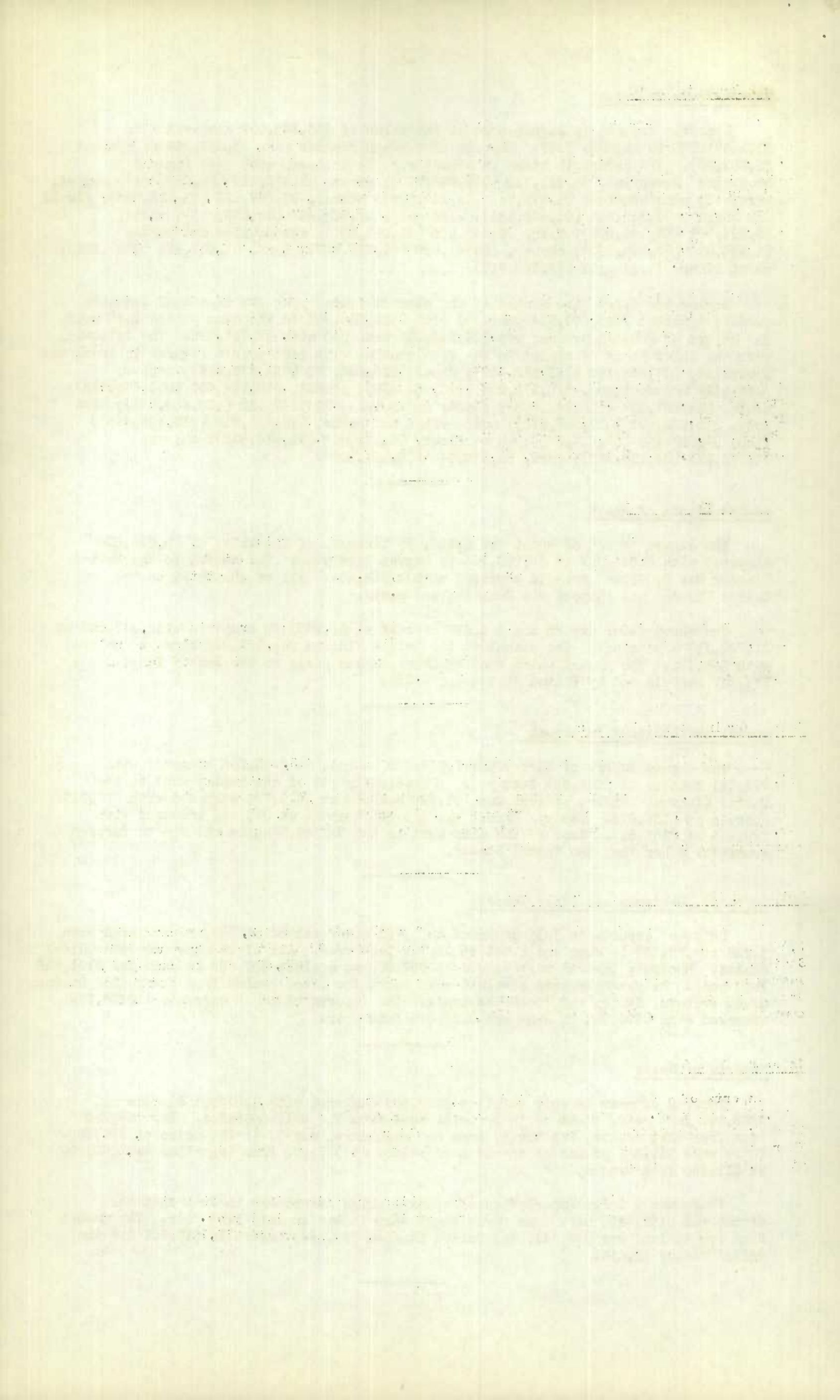
Pulpwood, Woodpulp and Paper Imports

Pulpwood imports in July amounted to 1,792 cords valued at \$12,828 compared with 5,268 at \$36,158 in June and 1,033 at \$6,198 last year. All of it came from the United States. Woodpulp imports were valued at \$57,035 as against \$53,568 in June and \$101,625 last year. Pulpboard imports remained much about the same, coming from the United States, Great Britain, Sweden and the Netherlands. The imports of paper aggregated \$596,775 compared with \$590,342 in June and \$707,874 last year.

Imports of Meats

Imports of meat in July totalled \$202,930 compared with \$207,501 in June and \$125,361 last year. Most of these meats came from the United States. The largest item from that country was bacon, hams and shoulders, cured, to the value of \$98,688. There were 241,200 pounds of canned beef valued at \$15,508 from Argentina and 200,400 at \$11,280 from Uruguay.

There was a large importation of sausage skins or casings in July when the amount was \$161,020, more than three times what it was in July last year. The amount from New Zealand was \$94,841, the United Kingdom \$50,454, Australia \$13,707 and the United States \$2,018.



Automobile Imports

Imports of vehicles of iron in July totalled \$1,848,385 as against \$2,985,057 in the previous month and \$3,197,926 in July last year. There were 139 freight autos at \$256,603, of which 132 came from the United States and seven from the United Kingdom; 575 passenger cars valued at less than \$1,200 each, of which 538 came from the United States and 34 from the United Kingdom. Imported bicycles numbered 419 valued at \$4,636 of which 312 came from the United Kingdom, 87 from the United States and 19 from Germany. Imported motor cycles numbered 191, of which 138 came from the United States, 44 from the United Kingdom and 9 from Germany.

Farm Implements and Machinery

Imports of implements and farm machinery in July had a value of \$2,027,293 compared with \$1,772,469 in June and \$1,754,265 in July a year ago. The amount from the United States was \$1,908,795 and from the United Kingdom \$73,687. Sweden sent 1,873 cream separators at \$36,612 and the United States 1,254 harvesters at \$306,153 along with 243 mowing machines at \$24,389. Ploughs and parts from the United States were valued at \$42,991 and from Germany at \$2,502 and 201 harvesters in combination with threshing machines at \$192,013. Internal combustion traction engines came from the United States to the value of \$770,225 and from the United Kingdom at \$54,717.

Fertilizers

Imports of fertilizers in July were valued at \$152,135, which was slightly more than half a year ago, while exports amounted to \$342,202, about \$105,000 less than last year.

Imports of Living Animals

Cattle for the improvement of stock imported in July numbered 87, of which 57 at \$27,464 came from the United Kingdom and 30 at \$13,154 from the United States. There were 19 dogs, 2 goats and 13 horses. Seven of the horses at \$4,504 came from the United States and six at \$3,300 from the United Kingdom.

Use of Electric Power

The evolution of power machinery in manufacturing and mining industries in Canada for electric drive and particularly for electric motors driven by power generated in central stations has been more pronounced than in many countries. That evolution has been hastened because of the lack of coal mining in the chief manufacturing provinces of Ontario and Quebec and because of the large supply of water power within economic transmission distance of manufacturing and mining centres in these and most of the other provinces.

This ratio of electric motor rating to total power equipment indicates this evolution, but the movement towards electric drive is slightly exaggerated because of the practice in mills, factories, etc., of installing motors at each machine or group of machines with a total capacity greater than would be necessary if only one large motor were used or if a steam engine and belts and shafting were used. In the early annual industrial censuses no segregation was made of electric motors operated on power purchased from central electric stations and on power produced within the establishment making the report. Consequently, 1923 is the first year for which total power employed can be compiled without duplication.

During the thirteen years between 1923 and 1936 there has been very little net increase in the use of water power in manufacturing industries outside of the central electric station industry which is not included as a manufacturing industry. Steam engines had a total capacity only 34.1 per cent greater in 1936 than in 1923, whereas in 1935 the increase was 40.7 per cent. The increase in internal combustion engines moved up from 88.7 per cent for 1935 to 97.5 per cent for 1936. Electric motors operated on power purchased from central electric stations have more than trebled during this period, the increase being 210.6 per cent, and motors operated on power produced within the industries increased by only 48.0 per cent, making the increase in all motors 166.5 per cent, or by an average rate of 12.8 per cent per year.

Sales and Purchases of Securities Between
Canada and Other Countries during July

The volume of Canada's international trade in securities was up for the month of July, amounting to \$67,864,907 compared with \$58,040,326 in the previous month and \$55,128,112 in the corresponding month last year. Total sales during the month aggregated \$37,276,378 compared with \$33,114,863 in June and \$26,092,966 in July, 1937. Purchases totalled \$30,588,529 compared with \$24,925,463 in June and \$29,035,146 a year ago.

Securities trade with the United States amounted in value to \$50,584,433 compared with \$47,005,155 in June and \$38,891,528 last year. Sales to the United States were \$27,600,309 compared with \$27,492,883 in June and \$18,026,252 a year ago. Purchases from the United States totalled \$22,984,124 compared with \$19,512,272 the month before and \$20,865,276 in July, 1937.

Trade in securities with the United Kingdom aggregated \$12,058,758 in July compared with \$7,270,219 in June and \$13,859,285 in July, 1937. Sales to the United Kingdom were valued at \$6,313,501 compared with \$2,970,571 in the previous month and \$6,387,316 in 1937. Purchases totalled \$5,745,257 against \$4,299,648 in June and \$7,471,971 in 1937.

Automobile Production in August

With most automobile manufacturers preparing to turn out new models, production of 1938 models fell off to the low point for the year to date when it amounted to 6,452 units during August compared with 9,007 in the previous month and 10,742 in August, 1937. During the month under review the output of passenger cars was reported at 3,063 units and commercial vehicles at 3,389. Of the total, 511 passenger cars and 2,058 trucks were made for sale in this country with the balance of 2,552 passenger cars and 1,331 trucks being intended for export.

Cost of Living in August

Moderate increases in the prices of foodstuffs and fuel were responsible for a rise in the Dominion Bureau of Statistics cost of living index from 84.2 in July to 84.9 in August. This index has advanced 1.4 per cent within the past year. Foods rose from 78.4 in July to 80.7 in August, being the largest monthly change recorded in two years. Advances were reported for pork and pork products, sirloin beef, eggs and potatoes, while moderate declines occurred in shoulder beef, veal, flour and onions. Seasonal advances in the prices of coal and coke in a few cities caused the fuel index to increase from 85.0 to 85.2.

Tobacco Crop

Weather conditions during August were particularly favourable for harvesting tobacco, with the result that the greater proportion of the crop was harvested by the end of the month, except in British Columbia where harvesting has been delayed in the hope that rain would improve the crop, which has suffered materially from the prolonged drought. On the whole, all types of tobacco are of better quality than in 1937.

A preliminary estimate of the volume of production of flue-cured tobacco places the total yield at approximately 60 million pounds from 65,000 acres. These estimates, which will be revised at a later date, indicate a larger crop of better quality than in 1937 when production totalled 54.7 million pounds from 53,000 acres. This represents a volume triple the ten-year (1927-1936) average production of 19.8 million pounds from 23,000 acres. The burley crop, which is also of good quality, is expected to total at least 10.5 million pounds, as compared with 6.4 million in 1937 and the ten-year average production of 13.5 million pounds.

Telegrams and Cables

The total number of telegrams originated in Canada and received from the United States for delivery in Canada during 1937 was 13,456,330, of which 11,644,209 originated in Canada and 1,812,121 in the United States. The number of cablegrams forwarded was 796,572 and the number received, 692,195. The total value of money transferred by telegraph during 1937 was \$4,550,731 compared with \$4,296,738 in 1936.

Dairy Production

The August production of creamery butter was 35,200,000 pounds, which was a decrease of 10 per cent from the July output and an increase of 11 per cent over August, 1937. The increase in the August make was recorded in all provinces.

Cheese production in August was 19,500,000 pounds which was a decrease of eight per cent from July and 12 per cent from August a year ago. All provinces except Saskatchewan, Alberta and British Columbia contributed to the decrease.

Concentrated whole milk products in July at 13,300,000 pounds and by-products at 4,600,000 pounds were approximately a decrease of 20 per cent compared with June and an increase of 16 per cent over the same month last year.

Manufacturing in the Maritimes

Manufacturing production in the Maritime Provinces, which continued to expand during 1936, did not, however, keep pace with the rest of Canada. Compared with the previous year, there was an increase of \$10,060,208 or 8.5 per cent in the gross value of production, 1,518 or 5.2 per cent in the number of persons employed, \$1,741,778 or 7.1 per cent in the amount of salaries and wages paid, and \$1,053,111 or 2 per cent in the value added by manufacture. The only decline was in the amount of capital invested which declined by \$938,674. The fixed capital was \$336,771 higher while the current capital was \$1,625,445 lower.

Of the three Maritime Provinces, Nova Scotia made the greatest advance in employment and gross value of production, while New Brunswick reported the greatest increase in the amount of salaries and wages paid.

Linseed and Soybean Oil Industry

Continued expansion characterized the operations of the Linseed Oil Industry in 1937, the gross value of the products increasing to \$5,049,528 from \$4,101,732 in 1936. The selling value at the mill of raw linseed oil was \$2,026,532 compared with \$1,590,337 in 1936; boiled linseed oil, \$580,765 compared with \$552,291; special linseed oil, \$869,603 compared with \$799,262; linseed oilcake, \$50,091 compared with \$56,525; linseed oilcake meal, \$1,374,673 compared with \$1,014,606; linseed meal, \$13,247 compared with \$17,133; soybean products, \$110,931 compared with \$51,515; and soap \$16,174 compared with \$20,033.

Production of Iron and Steel and Their Manufactures

Output in Canada of iron and steel and their manufactures during 1937 amounted in value to \$623,359,091 at factory prices, according to preliminary figures, compared with \$453,385,553 in 1936, a gain during the twelve months of 37.5 per cent. This was the highest value reported for any year since 1929. Substantial increases over 1936 were recorded for each of the individual industries included, with the exception of the miscellaneous group.

Sugar Refining Industry

The output of sugar of all kinds in 1937, amounting to 1,025,553,455 pounds, represents a decrease of 67,737,590 pounds from the 1936 total. Cane sugar output declined by 32,111,583 pounds to a total of 905,113,320, while beet sugar declined by 35,626,007 pounds to a total of 120,440,235. In spite of the drop in volume of production, the selling value of the factory sugar produced increased to \$40,916,044 from \$40,405,377. Output of granulated sugar amounted to 863,164,298 pounds compared with 934,238,504, brown sugar 124,587,237 pounds against 122,286,274, pulverized 30,081,322 against 28,128,131, fruit sugar 3,812,223 against 3,909,984, and loaf 3,907,875 against 4,648,072.

Reports Issued During the Week

1. The Sugar Industry, 1937 (25 cents).
 2. Iron and Steel and Their Products, 1937 (10 cents).
 3. Sales and Purchases of Securities Between Canada and Other Countries, July (10 cents)
 4. Weekly Index Numbers of Wholesale Prices (10 cents).
 5. Telegram and Cable Statistics, 1937 (10 cents).
 6. The Marketing Structure of the Wholesale Hardware Trade (25 cents).
 7. Tobacco Crop Report (10 cents).
 8. Canadian Grain Statistics (10 cents).
 9. Meat and Fish in Cold Storage, September 1 (10 cents).
 10. Dairy and Poultry Products in Cold Storage, September 1 (10 cents).
 11. Apples and Small Fruits in Cold Storage, September 1 (10 cents).
 12. Dairy Production, August (10 cents).
 13. Security Prices and Foreign Exchange (10 cents).
 14. Summary of Exports of Grains and Flour, August (10 cents).
 15. First Estimate of Yield of Principal Grain Crops, Hay and Clover and Alfalfa,
and Condition of Late-sown Crops, Canada (10 cents).
 16. Price Movements, August (10 cents).
 17. Electric Power in Manufacturing and Mining, 1936 (25 cents).
 18. Car Loadings (10 cents).
 19. Manufacturing Industries of the Maritime Provinces, 1936 (25 cents).
 20. Imports of Pulp Wood, Wood Pulp and Paper, July (10 cents).
 21. Imports and Exports of Pipes, Tubes and Fittings, July (10 cents).
 22. Imports and Exports of Hides and Skins, July (10 cents).
 23. Imports of Meats, Lard and Sausage Casings, July (10 cents).
 24. Imports and Exports of Sausage Casings, July (10 cents).
 25. Imports and Exports of Vegetable Oils, July (10 cents).
 26. Imports of Vehicles of Iron, July (10 cents).
 27. Imports of Farm Implements and Machinery, July (10 cents).
 28. Imports and Exports of Fertilizers, July (10 cents).
 29. Imports of Living Animals, July (10 cents).
 30. The Linseed and Soybean Oil Industry, 1937 (15 cents).
 31. Automobile Production, August (10 cents).
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