WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce

Vol. VI - No. 43 Ottawa, Saturday, October 22, 1938 Price $1.00 per year

Weekly Review of Economic Conditions

The general factors indicative of the weekly trend of economic conditions displayed a slight decline in the week of October 15 as compared with the previous week, but still maintained a lead over the same week of 1937, when a minor recession was getting under way. Gains for the week were noted in capitalized bond yields, wholesale and common stock prices, while carloadings, bank clearings and stock market activity were at lower levels. Four of the six factors used in the index were up over the similar period of last year, carloadings and wholesale prices being the exceptions.

The railway freight movement in the 40th week amounted to 60,627 cars as against 61,925 cars for the previous week. This contraseasonal decline reduced the index over three points to 77.8. Western wheat shipments during the week showed a decrease of 3,050 cars, although 6,549 cars heavier than in the same week of 1937. The cumulative gain in the grain movement this year has been 43,544 cars, indicating the considerable benefit which good crops bring to the transportation industry. Pulpwood and ore are the only other commodity groups recording increases over the 1937 totals. The shipments of coal, pulp and paper and miscellaneous commodities have been disappointing this year.

Wholesale commodity prices were slightly firmer in the week ended October 14, when the index stood at 74.3 compared with 74.2 in the previous week. Grains were buoyant, and non-ferrous metals responded to increased armament programmes together with improved demand as depleted inventories were replenished. The decision of leading producers to remove restrictions on output of copper is indicative of the present outlook for this metal. On the other hand, livestock and meats showed some price weakness.

All grain prices on the Winnipeg exchange recorded advances. No. 1 Northern wheat was up 1 5/8 to 62 7/8, while oats No. 2 C.W. advanced $\frac{3}{4}$ to 28 7/8. Barley was strong, up 2 5/8, at 37 7/8, while flax and rye shared in the advance. Medium steers at Toronto were off 12 cents on the week at $5.13, while bacon hogs were 25 cents lower at $8.25, supply being quite equal to fair demand.

A notable upswing is under way in all metal prices. Pig iron foundry No. 2 moved up one dollar on the week to $21. Base metal prices advanced sharply on the London exchange until the 17th, when electrolytic copper rose to a peak of £53 15s, but reaction set in on the 18th and the price sloped to £50 10s. Tin, lead and zinc showed appreciation in the week. The price of export copper at New York was 11.14 on the 18th compared with 11.10 one week previous. Lead was steady while tin and zinc advanced slightly. Dominion bond prices firmed during the week under review and scattered fractional gains were in evidence, the capitalized yield index advancing to 157.7, a gain of nearly 2 p.c. over the previous week and about 10 p.c. above the same week of 1937. The lifting of the ominous war clouds in Central Europe seems to have had a salutary effect on bond markets.

Common stock prices continued higher for the second consecutive week, although gains were more moderate and trading volume was considerably lower than in the week ending October 6. Daily advances were recorded for the general index of 95 stocks, except on Tuesday, October 11, when a reaction occurred among industrials and the general index dropped fractionally. In the industrial section all sub-groups, with the exception of milling and textiles, showed net increases. Industrial mines led the advance, the net increase on the last day of the week having been 31 points, while less marked gains were shown for machinery and equipment, beverages, oils and foods. Power issues were the only utilities to advance. The net result was that the index of common stocks stood at 110 for the week of October 15 comparing with 105.9, a gain of 4 p.c. having been shown. The index has now crossed the 1937 line for the first time this year, the gain over the same week of 1937 being 1.8 p.c.

The weekly index based on the six factors outlined above was 109.1 in the week of October 15 against 109.5 in the preceding week, the drop in carloadings, bank clearings and trading on the exchanges more than offsetting gains in wholesale prices, capitalized bonds and common stocks. The standing one year ago was 106.5, a gain of 2.5 p.c. being indicated, the first important advance registered in any week of this year over a similar week of 1937. The only factor which now displays a significant adverse reading in this comparison is wholesale prices, as the direct result of increased crops.

Weekly Index with the Six Components
1926=100

Week Ended	Car loadings[4]	Wholesale Prices	Capitalized Bond Yields[2]	Bank Clearings[3]	Prices of Common Stocks	Shares Traded	Weekly Index[4]
Oct. 16, 1937	78.7	84.7	143.7	93.4	108.1	83.2	106.5
Oct. 8, 1938	81.0	74.2	154.8	101.8	105.9	212.5	109.5
Oct. 15, 1938	77.8	74.3	157.7	96.4	110.0	192.5	109.1

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.

September Exports

Domestic exports in September, including non-monetary gold bullion to the value of $24,460,000 sent to the United States, show a total of $107,639,583, compared with $83,468,997 in August and $94,151,927 in September, 1937. The amount to British Empire countries was $36,251,425 and to other countries $71,388,158.

Exports to leading Empire countries were as follows, with the 1937 figures in brackets: United Kingdom, $28,911,791 ($33,189,307); Australia, $2,464,917 ($3,253,512); New Zealand, $1,193,037 ($843,489); British South Africa, $1,081,739 ($1,408,448); British West Indies, $774,542 ($822,273); Newfoundland, $693,990 ($865,602); British India, $225,937 ($325,598); Straits Settlements, $133,590 ($164,808); Hong Kong, $164,378 ($99,891); Eire, $145,688 ($108,941); Aden, $4,935 ($30,777); British East Africa, $32,549 ($92,263); Gibraltar, nil ($300).

Other countries: United States, $60,525,203 ($43,995,883); Germany, $2,616,200 ($756,524); Netherlands, $1,277,920 ($465,663); Belgium, $1,227,802 ($545,708); Japan, $963,891 ($2,034,386); France, $841,232 ($176,969); Norway, $600,379 ($539,749); Sweden, $373,151 ($180,952); Argentina, $315,122 ($543,831); Brazil, $240,804 ($330,205); Morocco, $3,844 ($19,193); China, $163,048 ($156,641); French Africa, $6,479 ($22,696); Turkey, $12,060 (nil); Czechoslovakia, $125,092 ($21,446); Roumania, $5,315 ($689); Yugoslavia, $552 ($4,118); Poland, $75,845 ($105,872); Russia, $47,798 ($111,169); Spain, $76,932 (nil).

The chief gains in Canadian domestic exports in September were in gold, nickel, aluminium, fruits, wheat, vegetables, butter, pulpwood and shingles, as follows, the figures in brackets being those of September, 1937: gold bullion other than monetary, $34,738,000 ($11,165,000); aluminium, $1,945,000 ($847,000); nickel, $4,977,000 ($4,747,000); fruits, $1,095,000 ($590,000); wheat, $8,410,000 ($7,507,000); vegetables, $844,000 ($611,000); butter, $351,000 ($14,000); pulpwood, $2,313,000 ($1,809,000); red cedar shingles, $736,000 ($687,000); soda and compounds, $366,000 ($340,000). The butter export was remarkable in that $341,000 went to the United Kingdom as against none last year.

The reduction in the export of other commodities was very general: whiskey, $823,000 ($1,798,000); barley, $946,000 ($1,030,000); rubber, $1,486,000 ($1,581,000); wheat flour, $1,231,000 ($1,855,000); cattle, $647,000 ($1,143,000); cheese, $2,050,000 ($2,128,000); fish, $2,884,000 ($2,974,000); furs, $518,000 ($598,000); hides, $181,000 ($334,000); leather, $389,000 ($448,000); meats, $2,425,000 ($2,833,000); cottons, $153,000 ($306,000); raw wool, $53,000 ($123,000); paper, $9,138,000 ($12,148,000); planks and boards, $3,015,000 ($5,411,000); square timber, $119,000 ($310,000); wood pulp, $2,305,000 ($3,744,000); automobiles, $1,264,000 ($1,351,000); farm implements, $440,000 ($780,000); machinery, $682,000 ($909,000); pig iron, $277,000 ($475,000); copper, $4,790,000 ($5,068,000); lead, $800,000 ($1,237,000); silver, $681,000 ($1,019,000); asbestos, $1,158,000 ($1,233,000); petroleum, $19,000 ($79,000); stone and products, $452,000 ($777,000); acids, $90,000 ($137,000); fertilizers, $225,000 ($483,000); films, $214,000 ($327,000).

Leading Markets in September

The 10 leading markets for Canadian commodities in September were as follows: United States, $60,525,000; United Kingdom, $28,912,000; Germany, $2,616,000; Australia, $2,465,000; Netherlands, $1,278,000; Belgium, $1,227,000; New Zealand, $1,193,000; British South Africa, $1,082,000; Japan, $964,000; and France, $841,000.

Exports to the United States

The export to the United States of commodities affected by the existing trade agreement was valued in September at $16,148,799 compared with $23,311,648 a year ago. The principal items were as follows, with the figures of September 1937 in brackets: maple sugar, $100,487 ($85,816); whiskey, $764,737 ($1,753,083); dairy cattle over 700 pounds, $61,074 ($67,200); calves, $59,055 ($98,097); beef cattle between 175 and 700 pounds, $9,308 ($187,539); beef cattle over 700 pounds, $413,997 ($562,230); fresh lobsters, $100,561 ($162,626); whitefish, $100,977 ($153,470); canned lobsters, $39,662 ($24,712); beaver skins, $43,568 ($47,441); cheese, $33,949 ($57,477); whale oil, $27,118 ($47,948); logs, $139,248 ($210,366); softwood planks and boards, $995,377 ($1,364,352); hardwood planks and boards, $115,223 ($216,634); pulpwood, $1,511,194 ($1,584,502); shingles, $750,915 ($706,324); wood pulp, $1,855,191 ($3,077,388); newsprint, $7,149,027 ($9,464,742); asbestos, $204,398 ($448,809).

The export of commodities under the agreement during the nine months ended September was valued at $131,896,638 compared with $193,540,837 in the same period of 1937. Principal commodities were as follows: maple sugar, $1,087,083 ($425,313); whiskey, $6,887,431 ($13,179,225); dairy cattle over 700 pounds, $320,475 ($294,060); calves, $615,987 ($1,320,888); beef cattle over 700 pounds, $2,290,713 ($10,050,024); horses, ~~$589,733 ($1,181,566)~~; poultry, $160,213 ($407,589); fresh lobsters, $1,747,603 ($2,189,280); beaver skins, $407,518 ($586,173); cheese, $226,750 ($560,608); whale oil $144,196 ($148,469); logs, $1,135,399 ($971,543); softwood planks and boards, $7,330,354 ($10,657,905); hardwood planks and boards, $773,426 ($1,674,007); pulpwood, $8,616,707 ($8,449,888); shingles, $4,802,430 ($4,925,774); wood pulp, $15,031,177 ($25,652,059); newsprint, $59,468,359 ($76,589,839); asbestos, $2,105,246 ($3,874,042).

The total domestic exports to the United States in September were $60,525,203 as against $43,995,883 in September, ~~1937, and the nine months' exports were $243,589~~,241 as against $369,709,874.

Wheat Stocks in Store

Canadian wheat in store for the week ending October 14 amounted to 171,440,563 bushels compared with 165,412,104 in the previous week and 73,265,768 in the corresponding week last year. The amount of Canadian wheat in the United States was 3,361,000 bushels compared with 3,298,000 the week before and 1,755,000 a year ago. United States wheat in Canada totalled 436,220 bushels compared with 1,437,333 a week ago and 1,585,567 in the corresponding week last year. Wheat in rail transit amounted to 17,331,999 bushels and the amount in lake transit was 10,078,772 for the week ending October 14, compared with 6,114,599 and 2,650,732 bushels, respectively, for the same week last year.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces for the week ending October 14 amounted to 13,450,417 bushels compared with 20,936,573 in the previous week and 3,339,873 in the corresponding week last year. The totals follow by provinces, with figures for 1937 in brackets: Manitoba, 801,551 (329,510) bushels; Saskatchewan, 5,001,133 (829,184); Alberta, 7,647,733 (2,181,178).

Total marketings during the eleven weeks ended October 14 were 192,439,237 bushels compared with 72,701,298 in the corresponding period of the previous crop year. Totals follow by provinces: Manitoba, 37,532,463 (28,964,473) bushels; Saskatchewan, 76,308,186 (15,666,661); Alberta, 78,598,588 (28,070,164).

Overseas Export Clearances of Wheat

Overseas export clearances of wheat during the week ended October 14 totalled 2,984,384 bushels compared with 4,585,452 in the previous week and 2,424,069 in the corresponding week last year. Imports into the United States for consumption and milling in bond for re-export totalled 383,000 bushels compared with 255,000 the week before and 47,000 a year ago. Clearances follow by ports, with figures for 1937 in brackets: Montreal, 1,701,747 (1,296,091) bushels; Sorel, 763,547 (nil); Vancouver-New Westminster, 292,500 (206,700); Three Rivers, 159,855 (nil); United States Ports, 66,735 (921,278).

Total overseas clearances during the period August 1 to October 15 were 27,492,053 bushels compared with 18,384,726 in the corresponding period of the previous crop year, while imports into the United States for consumption and milling in bond totalled 1,621,924 bushels compared with 1,436,690. Clearances follow by ports: Montreal, 15,631,054 (12,313,254) bushels; United States Ports, 3,069,858 (3,628,605); Three Rivers, 2,884,536 (41,078); Sorel, 2,693,676 (770,000); Vancouver-New Westminster, 2,240,016 (1,027,807); Churchill, 916,913 (603,982); Fort William and Port Arthur, 56,000 (nil).

Estimated Fruit Production

The apple crop of 1938 is estimated at 5,175,000 barrels, a slight gain over the 5,149,100 barrels of 1937. There is a small reduction in Nova Scotia, New Brunswick and British Columbia, but increases in Quebec and Ontario. The pear crop at 491,700 bushels is larger, the 1937 estimate being 446,200 bushels. Peaches also increased to 711,200 bushels from 664,800. Apricots made a gain from 52,700 to 59,000 bushels. Cherries increased from 153,000 bushels to 187,700, but strawberries decreased somewhat from 23,524,100 quarts to 22,570,200. The raspberry crop increased from 8,600,800 quarts to 9,484,600, but there is a sharp decline in grapes from 54,384,800 pounds in 1937 to 31,004,000 this year.

Grain Stocks from Other Countries

Stocks of United States corn in Canada on October 14 amounted to 2,518,170 bushels, compared with 587 a year ago. It was distributed from Midland to Quebec, the largest supply being at Port Colborne with 726,601 bushels. South African corn at 223,479 bushels compared with 3,182,177 a year ago, and Argentine corn at 41,256 compared with 837,482. Argentine flaxseed totalled 120,083 bushels compared with 328,269 last year.

Other grain from the United States was as follows, with the 1937 figures in brackets: wheat, 436,220 (1,585,567) bushels; oats, 911,921 (2,465,589); barley, 372,436 (134,921); rye, 47,465 (889,792). Most of the United States wheat was at Midland and Port Colborne, with a small quantity at Montreal.

Wheat at Churchill

Wheat in store at Churchill on October 14 was reported as 377,559 bushels. A year ago it was 11,820 and on the corresponding date of 1936 it was 610,450 bushels.

Gold Production in August

Canadian producers reported an output of 412,135 ounces of gold in August compared with 420,778 in July and 349,108 in the corresponding month last year. Based on the average price reported during the month the August output was worth $14,474,181 compared with $14,828,217 in July. Production during the first eight months of the year totalled 3,051,081 ounces compared with 2,672,812 in the corresponding period of 1937.

Ontario produced 257,700 ounces in August, made up of 111,966 from the Porcupine camp, 92,270 from the Kirkland Lake field, and 53,464 from other sources. In July the Porcupine camp produced 118,761 ounces, the Kirkland Lake field 88,885 and other sources 51,564. Production in Quebec rose slightly to 71,951 ounces from the July total of 71,535. Output in Manitoba and Saskatchewan declined to 19,724 ounces from 20,879.

British Columbia's output was recorded at 51,688 ounces compared with 58,728 in July; Yukon alluvial and lode gold 8,965 ounces against 8,101. During August the Royal Canadian Mint received 2,106 ounces of gold from Nova Scotia sources compared with 2,313 in July. Jewellery and scrap receipts at the Royal Canadian Mint in August contained 1,032 ounces of gold, while in August last year the content was 1,379 ounces.

Canadian Railways in July

Canadian railways earned $25,773,078 in July as against $29,405,186 in July last year. This was a decrease of $3,632,108, or 12.4 per cent, and with operating expenses reduced by only $1,866,121 the operating income was reduced from $1,810,691 to a debit of $12,113, or by $1,822,805. Freight traffic, measured in ton miles, was lighter than in 1937 by 12.0 per cent and passenger traffic decreased by 9.4 per cent. The pay roll was reduced from $16,264,004 to $15,517,544 and the number of employees from 133,311 to 119,017.

For the seven months, January-July, gross revenues decreased from $194,915,518 in 1937 to $174,590,556 and the operating income decreased from $15,735,482 to a debit of $3,240,733.

Canadian lines of the C. N. R. showed a decrease in gross revenue from $13,916,370 in 1937 to $12,106,982, operating expenses decreased from $13,429,103 to $12,373,830, and the operating income from $138,292 to a debit of $680,432. The New England lines showed an improvement in gross revenues and operating income, but the other three railways in the United States showed reduced gross revenues and operating incomes, which decreased the system gross revenue from $16,662,985 to $14,176,717 and the operating income from $328,060 to a debit of $800,278, or by $1,128,338.

For January-July gross revenues of the system were reduced from $111,659,299 in 1937 to $96,936,276, the United States lines showing a decrease of 33 per cent and the Canadian lines a decrease of 9 per cent, and were not equal to the operating expenses which amounted to $102,713,217 as against $104,032,451 last year. The operating income decreased by $13,186,061, or from $2,807,982 to a debit of $10,378,079.

Gross revenues of the C. P. R. decreased from $12,107,348 in 1937 to $11,202,564, operating expenses from $10,588,052 to $10,220,151, and the operating income from $1,095,460 to $507,337.

For January-July gross revenues declined from $78,918,751 to $73,039,985, expenses from $66,972,920 to $66,657,907 and the operating income from $9,355,614 to $3,188,365.

Canal Traffic in September

Freight traffic on the Sault Ste. Marie Canals, using Canadian and United States locks in September, declined sharply to 6,624,115 tons from 12,585,095 in the corresponding month last year. The decline in the tonnage of iron ore was responsible for the drop, aggregating 3,402,146 tons against 9,975,422 a year ago. Due mainly to heavy shipments of wheat the total traffic using the Welland Ship Canal advanced to 1,785,768 tons from 1,566,447 in September, 1937. Traffic using the St. Lawrence Canals declined to 1,295,614 tons from 1,303,993.

Building Permits for September

The value of the building authorized in 58 cities during September was estimated at $5,278,381; this was a decrease of $535,949, or 9.2 per cent, from the total of $5,814,330 reported in August, 1938, but an increase of $166,601, or 3.3 per cent, in the more significant comparison with September of last year, with permits at $5,111,780.

The value of the building authorized in the first nine months of the present year was $43,104,172; this slightly exceeded the aggregate of $42,960,983 recorded in the period January - September, 1937, and was decidedly higher than in the first nine months in any other year since 1931. However, the cumulative total for the same period in each of these years has been very much lower than in earlier years for which data are available. The wholesale prices of building materials have recently been lower than in the same months of 1937, although they continue higher than in any of the years, 1931-1936.

Automobile Production in September

Pending the bringing out of new models, the production of automobiles by Canadian manufacturers was at a low ebb during September when output fell to 6,089 units. This total compares with 6,452 units produced in the previous month and 4,417 units in September, 1937. During the month under review the output of passenger cars was reported at 4,290 units and commercial vehicles at 1,799. Of these totals, 3,004 passenger cars and 666 trucks were made for sale in Canada with the balance of 1,286 passenger cars and 1,133 trucks being intended for export.

Retail Merchandise Trade in the Maritime Provinces

Retail sales in the Maritime Provinces totalled $187,740,000 in 1937, exceeding by 12.7 per cent the $166,565,000 recorded in 1936, which in turn was 9 per cent above the 1935 figure. Direct comparison between 1937 and the low point reached in 1933 reveals a 44 per cent improvement although sales last year were still 5 per cent below the 1930 level. The index of sales in 1937 on the 1930 base stands at 95.0. Nova Scotia sales were $99,336,000, a gain of 12.6 per cent over 1936; New Brunswick, $76,656,000 up 14.5 per cent; and Prince Edward Island $11,748,000 up 3.5 per cent.

For the third year in succession motor vehicle dealers in the Maritime Provinces reported the best improvement in the year-to-year comparisons. Their sales, totalling $27,510,000, exceeded those for 1936 by 28.1 per cent. It may be noted that 1936 sales were 27.0 per cent in excess of 1935. As a result of continued building activity, the sales of dealers in lumber and building materials were 22.6 per cent greater, while sales of hardware stores rose 16.4 per cent. Sales of furniture stores rose 16.7 per cent. The largest volume of business is usually recorded by grocery and combination stores, amounting in 1937 to $31,810,000, a gain of 8.1 per cent.

Retail Merchandise Trade in the Prairie Provinces

The yearly improvement evident in the retail trade of the Prairie Provinces since 1933 continued in 1937 when there was an increase of 5.6 per cent in dollar value compared with 1936. Retail sales totalled $442,827,000 in 1937 compared with $419,329,000 in 1936, $389,166,000 in 1935 and $334,210,000 in 1933. Retail sales in 1930, the first year for which these trade statistics are available, amounted to $554,962,100. Annual indexes for the Prairie Provinces on the base 1930 equals 100 are as follows: 1937, 79.8; 1936, 75.6; 1935, 70.1; 1934, 65.9 and 1933, 60.2.

Results for individual provinces within the economic division show that Manitoba sales were up 8.6 per cent over 1936, Saskatchewan down 2.1 and Alberta sales up 9.8 per cent. The dollar value of sales in Manitoba was $161,253,000 compared with $148,541,000 in 1936; Saskatchewan $129,166,000 compared with $131,935,000 in 1936; and Alberta $152,408,000 compared with $138,853,000.

Reports Issued During the Week

1. Canadian Grain Statistics (10 cents).
2. Automobile Production, September (10 cents).
3. Changes in Single Track Mileage Operated by Steam Railways, 1937 (10 cents).
4. Car Loadings (10 cents).
5. Security Prices and Foreign Exchange (10 cents).
6. Grain Situation in the Argentine (10 cents).
7. Retail Merchandise Trade in the Maritime Provinces, 1937 (10 cents).
8. Summary of Canal Traffic, September (10 cents).
9. Gold Production, August (10 cents).
10. Weekly Index Numbers of Wholesale Prices (10 cents).
11. Retail Merchandise Trade in the Prairie Provinces, 1937 (10 cents).
12. Operating Revenues, Expenses and Statistics of Railways, July (10 cents).
13. Domestic Exports to Principal Countries, September (10 cents).
14. Building Permits, September (10 cents).
15. Summary of Canada's Domestic Exports, September (10 cents).
16. Canadian Grain Statistics (10 cents).
17. Fruit and Vegetable Crop Report (10 cents)
