WEEKLY BULLETIN

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Weekly Review of Economic Conditions

The six factors indicating the trend of economic conditions averaged lower in the third week of October. Common stocks showed a moderate gain while the index of capitalized bond yields was maintained. The four other factors used in this connection recorded decline. Only two of the six factors were below the same week of 1937, wholesale prices and speculative trading being at a lower position. The index of carloadings was maintained, while advances were shown in capitalized bond yields, bank clearings and common stock prices.

The railway freight movement recorded a minor decline in the 41st week ended October 15th, recession having been shown in both geographical divisions. The increase in the grain movement during the first 41 weeks of the year was more than 51,000 cars. Gains were also shown in ore and pulpwood, while the other eight groups recorded decline.

The index of the physical volume of business in final form was 119.2 in September against 110.5 in the preceding month. Advances were recorded in each of the five groups included in the index. The advance in mineral production was relatively slight, heavier movements in base metals being partially offset by recessions in the shipment of gold and silver. The index of manufacturing production advanced sharply from 101 to 114. Raw cotton consumption, newsprint production and imports of crude petroleum recorded marked advances. The new business obtained by the construction industry was slightly more than maintained. The output of electric power, partly reflecting the acceleration in the newsprint industry, recorded an advance to a new high point for the present year after seasonal adjustment. The distribution index, based upon carloadings, trade employment, imports and exports, advanced from 109.5 to 114.9.

Wholesale prices averaged slightly lower in the third week of October, the index receding from 74.3 to 74.0. Six of the eight groups showed decline, an exception being wood and paper, which recorded a minor gain. Wheat prices were slightly higher on the Winnipeg exchange, No. 1 Northern advancing from 62$\frac{7}{8}$ to 63$\frac{3}{8}$. A decline, however, was shown in coarse grains. Metal prices were higher on the London metal exchange, electrolytic copper advancing from £50 10s on October 18 to £52 10s on the 25th. Export copper in New York was quoted at 11.27$\frac{1}{2}$ against 11.14. Lead and zinc were maintained at the same prices as one week ago.

Dominion bond prices were practically unchanged following the rapid recovery of the two preceding weeks. Common stock prices averaged slightly higher in the week of October 20th, the index recording an advance of 0.7 per cent over the preceding week and 8.4 per cent over the same week of 1937. Four of the nine industrial groups recorded advances. The index of 15 power and traction stocks was 64.3 against 65.0 in the preceding week.

The weekly index based on the above-mentioned factors was 108.2 in the week of October 22 against 109.1 in the preceding week. Common stock prices alone showed an advance over the preceding week, while the index of capitalized bond yields was unchanged. The gain in the index over the same week of 1937 was 2$\frac{1}{2}$ per cent, the standing at that time having been 105.6. Advances were shown by three of the six major factors over one year ago.

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]
Oct. 23, 1937	77.6	84.7	143.5	88.7	102.2	216.2	105.6
Oct. 15, 1938	77.8	74.3	157.7	96.4	110.0	192.5	109.1
Oct. 22, 1938	77.6	74.0	157.7	92.2	110.8	165.8	108.2

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.

Economic Conditions in September

Despite advances in business operations and in deposit liabilities, the factors indicating the trend of economic conditions averaged slightly lower in September than in the preceding month. Mainly owing to political unsettlement in Europe, prices of bonds and stocks showed decline during the greater part of the month. A rally during the early weeks of October has counterbalanced the reaction. Commodity prices which had shown steady decline during July and August exhibited greater resistance to depressing influences during September. Narrow fluctuations only have been shown during the last seven weeks.

Economic Conditions in September
compared with the same month of 1937

		September 1938	Change from Sept., 1937 Inc. + Dec. -
			p.c.
Physical Volume of Business	1926=100	119.3*	- 3.6
Common Stocks	"	98.6	-17.1
Wholesale Prices	"	74.5	-12.4
Capitalized Bond Yields	"	153.1	+ 4.6
Bank Deposits	"	123.7	+ 2.6
Copper Exports	Cwt.	495,083	+35.7
Nickel Exports	"	190,850	- 2.3
Zinc Exports	"	233,853	- 7.6
Asbestos Exports	Tons	12,958	-31.0
Sugar Manufactured	Lbs.	96,270,679	+ 5.6
Cheese Factory Production	"	18,345,735	- 7.6
Butter, Creamery Production	"	30,116,180	+ 3.5
Crude Rubber Imports	"	3,146,645	-41.4
Raw Wool and Yarn Imports	"	1,071,221	-12.8
Newsprint Production	Tons	231,940	-25.7
Planks and Boards Exported	M. Ft.	139,448	-37.6
Shingles Exported	Squares	264,471	+ 5.0
Steel Ingot Production	L. Tons	73,556	-35.8
Pig Iron Production	L. Tons	49,972	-34.4
Automobile Production	No.	6,089	+37.9
Petroleum Imports	Gals.	184,260,000	+20.2
Carloadings	No.	249,594	- 4.7
Exports	$	108,542,466	+14.0
Imports	$	56,411,727	-19.7

*Preliminary.

Canada's Total Trade

Canada's total trade in September was $164,954,193, which was $502,420 less than that of September, 1937, when the total was $165,456,613, but it was $21,389,973 better than in August.

The September total of $164,954,193 was made up as follows, with the 1937 figures in brackets: Exports, $107,639,583 ($94,151,927); imports, $56,411,727 ($70,240,465); re-exports, $902,863 ($1,064,221).

Canada's total trade has been improving month by month since last May. The decline in June as compared with June, 1937, was $53,711,795, July $37,596,008, August $29,740,309 and September $502,420.

Customs Duties

Duty collected on commodities entering Canada in September amounted to $7,696,403 as compared with $7,608,740 in the previous month and $9,070,318 in the corresponding month last year. During the six months ended September the total was $45,554,934 compared with $52,048,009 in the same period last year.

Business Indexes in September compared with the preceding month

Seasonally Adjusted 1926=100	1938 August	1938 September
Physical Volume of Business	110.5	119.2
Industrial Production	110.8	120.7
Mineral Production	198.6	202.1
Copper exports	505.1	576.8
Nickel exports	311.1	379.5
Zinc exports	123.9	167.8
Gold shipments	298.0	289.7
Silver shipments	161.0	68.9
Asbestos exports	110.6	97.8
Bauxite imports	52.2	64.4
Coal production	91.0	79.6
Manufacturing	100.9	114.2
Foodstuffs	96.9	105.3
Sugar manufactured	90.5	100.3
Inspected slaughterings	129.5	142.3
Cattle	141.9	138.3
Sheep	137.1	153.4
Hogs	120.5	144.1
Creamery butter	153.8	158.6
Factory cheese	65.3	65.7
Salmon exports	48.7	103.6
Tobacco	180.1	177.5
Cigar releases	70.0	61.9
Cigarette releases	228.3	227.2
Rubber imports	96.8	90.5
Textiles	100.6	132.3
Cotton consumption	107.6	136.3
Cotton yarn imports	89.7	70.7
Wool, raw and yarn	71.5	136.0
Forestry	102.2	110.2
Newsprint	137.1	151.7
Wood pulp exports	65.5	62.4
Planks and boards exports	67.1	71.0
Shingles exported	106.6	100.0
Iron and steel	73.6	81.8
Steel production	133.0	127.0
Pig iron production	77.7	83.7
Iron and steel imports	83.5	75.6
Automobile production	56.1	72.0
Coke production	123.2	125.3
Crude petroleum imports	201.2	316.3
Construction	53.2	53.3
Contracts awarded	56.4	54.7
Building permits	45.2	50.0
Cost of construction	92.3	92.0
Electric power	217.9	223.6
Distribution	109.5	114.9
Trade employment	131.9	134.0
Carloadings	76.3	81.0
Imports	82.6	84.4
Exports	127.1	162.6
Producers' Goods	104.4	109.5
Consumers' Goods	111.8	123.6

Summary of Net Value of Production 1934 - 1936

Canada's chief natural sources of wealth are in agricultural lands, mines, forests, fisheries and water-power sites. The net value in 1936 (latest year for which figures are available) of the production of natural or primary products was about 52 per cent of the total net production in Canada. Net production signifies the value left in the producers' hands after the elimination of the value of commodities consumed in production, including all materials, process supplies, fuel and purchased electricity. The following

table shows the net values of production according to the principal divisions of industry for the years 1934, 1935 and 1936 and also the percentage of production for 1936:

Division of Industry	1934*	1935	1936	1936
	$	$	$	p.c.
Agriculture	584,597,000	617,867,000	690,379,000	25.9
Forestry	184,779,388	198,545,244	231,937,561	8.7
Fisheries	29,770,408	30,269,056	34,234,063	1.3
Trapping	8,636,885	8,877,331	9,214,325	0.3
Mining	209,073,789	238,581,268	291,972,359	11.0
Electric Power	122,461,993	125,123,078	133,561,387	5.0
Total Primary Production	1,139,319,463	1,219,262,977	1,391,298,695	52.2
Construction	108,077,412	120,815,289	135,851,162	5.1
Manufactures(a)	1,087,301,742	1,150,899,283	1,289,592,672	48.4(b)
Custom and Repair	82,711,784	91,711,442	97,333,712	3.6
Total Secondary Production (a)	1,278,090,938	1,363,426,014	1,522,777,546	57.1(b)
Grand Totals	2,198,176,931	2,369,064,383	2,665,861,689	100.0

*Figures for 1934 are revised from those previously published.

(a) The item "Manufactures" includes dairy factories, sawmills, pulp and paper mills, fish-canning and curing, and certain mineral industries, also included under other headings above. This duplication, amounting in 1934 to $219,233,470, in 1935 to $213,624,608 and in 1936 to $248,214,552, is eliminated from the grand totals.

(b) Manufacturing and secondary production include the above-mentioned duplication. Excluding such duplication the percentage of "Manufactures" to Total Net Production in 1936 was 39.0.

Manufactures account for almost half of the total net value of production in Canada. In the present, as in the past, Canadian manufacturing production is chiefly dependent upon the use of Canadian raw material. The high point in net value of products was $1,755,387,000* in 1929, although, owing to the worldwide recession in business, the value declined to $919,671,000* in 1933. However, considerable recovery was evident in later years, the total in 1936 reaching $1,289,593,000*. Preliminary figures for 1937 indicate a gain over 1936. The ten leading manufacturing industries in 1936, measured by gross value of products, were non-ferrous metal smelting and refining, pulp and paper, slaughtering and meatpacking, flour and feed mills, butter and cheese, automobiles, petroleum products, sawmills, electrical apparatus and supplies, and cotton yarn and cloth.

* Figures compiled on basis recommended by Conference of British Commonwealth Statisticians 1935, which excludes cost of fuel and electricity previously not deducted.

Wheat Stocks in Store

The visible supply of Canadian wheat on October 21 totalled 174,873,977 bushels compared with 171,440,563 for the previous week and 73,066,012 in the corresponding week last year. Canadian wheat in the United States amounted to 4,802,000 bushels compared with 3,361,000 the week before and 1,905,849 a year ago. Stocks of United States wheat in Canada totalled 520,265 bushels compared with 1,792,944 in 1937. Wheat in rail transit amounted to 16,230,364 bushels and the amount in lake transit was 8,499,411 bushels for the week ending October 21 compared with 5,197,469 and 3,025,087 respectively for the corresponding week last year.

Overseas Export Clearances of Wheat at High Level

Overseas export clearances of wheat during the week ended October 21 reached the highest point in any week since the Fall of 1932, amounting to 7,343,021 bushels compared with 2,984,384 in the previous week and 2,218,088 in the corresponding week last year. Imports into the United States for consumption and milling in bond for re-export totalled 212,000 bushels compared with 383,000 in the previous week and 116,000 a year ago. Clearances follow by ports, with figures for 1937 in brackets: Montreal, 3,443,601 (1,685,786) bushels; Sorel, 1,760,785 (nil); Vancouver-New Westminster, 742,733 (268,827); Three Rivers, 724,078 (nil); United States Ports, 615,758 (293,475); Fort William and Port Arthur, 56,066 (nil).

Total export clearances of wheat during the period August 1 to October 21 were 34,835,074 bushels compared with 20,632,814 in the corresponding period of the previous

crop year, while imports into the United States for consumption and milling in bond for re-export were 1,833,924 bushels compared with 1,548,690. Clearances follow: Montreal, 19,074,655 (13,999,040) bushels; Sorel, 4,454,461 (770,000); United States Ports, 3,685,616 (3,922,080); Three Rivers, 3,608,614 (41,078); Vancouver-New Westminster, 2,982,749 (1,296,634); Churchill, 916,913 (603,982); Fort William and Port Arthur, 112,066 (nil).

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces for the week ending October 21 amounted to 14,215,891 bushels compared with 13,450,417 in the previous week and 3,850,186 in the corresponding week last year. The totals follow, by provinces, with figures for 1937 in brackets: Manitoba, 597,720 (527,689) bushels; Saskatchewan, 5,702,426 (902,344); Alberta, 7,915,745 (2,420,153).

Total receipts during the twelve weeks ended October 21 were 206,655,128 bushels compared with 76,551,484 in the corresponding period of the previous crop year. Receipts follow by provinces: Manitoba, 38,130,183 (29,492,162) bushels; Saskatchewan, 82,010,612 (16,569,005); Alberta, 86,514,333 (30,490,317).

Export of Farm Implements and Machinery

Farm implements and machinery exported in September were valued at $439,747 compared with $553,735 in August and $780,091 in September, 1937. The largest item was reaper-threshers at $131,641, of which $94,684 went to Argentina, New Zealand $15,367, Uruguay $16,211, British South Africa $3,975. Ploughs and parts were valued at $81,754, the largest purchasers being Argentina at $26,557, United Kingdom $20,852, United States $15,447, British South Africa $7,323. Drills to the value of $13,259 were shipped to New Zealand and harvesters at $5,364 to Chile.

Petroleum Exports in September

The September export of fuel oil was 144,079 gallons at $5,533, the United States being the largest purchaser at 110,353. The September export was comparatively small. In August it was 211,009 gallons at $12,605 and a year ago 1,365,557 at $56,543.

September Export of Canadian Paints

Canadian paint exported in September was valued at $61,624 as against $60,006 in August and $80,984 last year. The largest purchasers were: United Kingdom, $27,297; Hong Kong, $8,995; New Zealand, $4,573; Newfoundland, $4,204; British South Africa, $3,012. Canadian paints last month went to 33 countries.

Export of Meats in September

The export of Canadian meats in September was somewhat lower, amounting in value to $2,424,883 compared with $2,624,781 in the previous month and $2,832,871 in September last year. Purchases by the United Kingdom totalled $2,255,289, and consisted mainly of bacon and hams, shoulders and sides to the value of $1,994,082. The total export of bacon and hams was worth $2,019,819 compared with $2,312,330 in August and $2,043,791 in September last year.

Export of Canadian Animals in September

There were 836 pure-bred cattle at $73,535 for the improvement of stock exported in September, 805 of which went to the United States, 28 to Newfoundland, two to Trinidad and one to Bermuda. In August the export was 681 at $66,205 and in September last 1,253 at at $114,275. Cattle for dairying purposes weighing over 700 pounds numbered 951 at $62,759 compared with 717 at $47,062 in August and 950 at $67,433 in September, 1937. All except 28 went to the United States, the balance to Newfoundland and St. Pierre. Beef cattle under 700 pounds numbered 563 at $9,391 compared with 405 at $7,019 in August and 6,938 at $188,194 a year ago. Beef cattle over 700 pounds numbered 8,501 at $514,581 compared with 7,842 at $510,934 in August and $11,775 at $787,852 last year. In August this year 7,204 head of beef cattle over 700 pounds went to the United States, 958 to the United Kingdom and 329 to Newfoundland.

The export of horses was 213, of which 165 at $16,948 went to the United States, 23 at $4,100 to the United Kingdom and 25 at $3,075 to Newfoundland. The total was $24,123 compared with 213 at $28,224 in August and 689 at $83,564 in September last year. Sheep for the improvement of stock, all of which were consigned to the United States, numbered 246 at $4,462 compared with 441 at $10,764 in August and 186 at $2,617 in September, 1937. There were 1,773 heads of pure-bred poultry valued at $2,077 compared with 1,665 at $1,524 in August and 1,488 at $1,979 a year ago. Last month 1,670 went to Newfoundland, 102 to the United States and 1 to Denmark which had an export value of $20.

There was a sharp rise in the export of mink, 109 head at $2,019 compared with 27 at $475 in August and 13 at $535 a year ago. Four went to Newfoundland and the rest to the United States. One fox at $125 was sent to St. Pierre.

September Export of Butter

The September export of butter apparently has aroused considerable interest. The amount was 15,712 cwt. valued at $351,228. Most of it went to the United Kingdom. The total export of butter during the first six months of the current fiscal year was only 19,560 cwt. at $444,840, and the sharp increase in September lifted the six months export far above that of the same period of 1937, when the total was 2,732 cwt. valued at $73,691. These are 100 lb. hundred-weights.

Canada plays an extremely small part in the butter market of the United Kingdom. During the first eight months of 1938 the amount from Canada was only 939 cwt. (112 lbs.), while the quantity from New Zealand was 1,859,878 cwt. Denmark, once the leader, was in second place with 1,652,597 cwt. and Australia third with 1,181,792. Continental European countries send large quantities to that market, and even British South Africa has entered the field with 24,477 cwt. in the eight months. Eire sent 226,004. The United Kingdom's total imports were 6,672,665 cwt. in the period.

September Export of Cheese

Canada's export of cheese is dropping below the level of 1937. The September export was 139,929 cwt. (100 lb.) valued at $2,050,404, and in the six months ending September the total was 470,806 cwt. at $6,922,983. In the same period a year ago it was 531,462 cwt. at $7,812,364.

Canada at one time held the leadership with cheese in the British market but has been displaced by New Zealand. New Zealand's contribution of cheese to the United Kingdom market in the first eight months of 1938 was 1,204,508 cwt. (112 pounds), Canada being second with 276,322, Australia third with 153,853 and the Netherlands fourth with 143,780.

Newsprint Paper Exports

The export of newsprint paper in September was 3,911,722 cwt. at $8,523,555 compared with 4,392,314 at $9,621,715 in August and 6,173,095 cwt. worth $11,303,766 in September, 1937. The largest purchasers in September were: United States, 3,213,354 cwt., at $7,149,027; United Kingdom, 330,456 cwt. at $565,254; Australia, 163,491 cwt. at $357,224; British South Africa, 50,630 at $115,815; Argentina, 35,210 at $111,391; New Zealand, 31,487 at $60,328; Newfoundland, 38,293 at $51,476; Puerto Rico, 15,566 at $28,937.

Condensed and Evaporated Milk

Evaporated milk exports in September were valued at $157,963 compared with $274,450 in August and $216,146 in September last year. The export of evaporated milk has increased somewhat over last year. In the six months ending September the value was $1,422,484 as against $1,068,877 in the same period of 1937. The whole milk powder export in September was valued at $65,142 and the skim milk powder at $228.

September Export of Eggs

The September export of eggs amounted to 180,387 dozen compared with 20,389 in August and 110,338 in September last year. The export of eggs to the British market was 162,330 dozen. During the six months ending September the amount was 634,293 dozen as against 234,288 in the corresponding period of the previous fiscal year.

The British imports of eggs during the first eight months of 1938 were 177,856,000 dozen, and Canada's share in this trade is small. It is not mentioned separately in the British Board of Trade statement. The largest contributor to that market in the eight months was Denmark with 65,604,000 dozen, Netherlands 35,080,000, Eire 20,007,000, Poland 19,981,000, Australia,941,000.

Gold Bullion

The export of gold bullion, other than monetary, in the six months ending September amounted to $48,346,260 compared with $70,252,800 in the same period last year. The export of gold coin, of foreign produce, other than monetary, was $32,190,036 in the six months, but there was none a year ago. The raw gold export was $4,057,973 compared with $3,256,312.

Platinum

The platinum export in September amounted to $1,094,676, of which $1,080,540 went to Great Britain and $14,136 to Norway. During the six months ending September the value was $5,259,661 as against $3,654,655 in the same period of 1937.

Nickel

Nickel exports in September were as follows: fine nickel, United Kingdom, $1,515,322; United States, $1,257,652; Japan, $492,587; Germany, $31,214; Sweden, $17,610; France, $13,619; Chile, $2,556; Australia, $1,602; Argentina, $443; Colombia, $256; Total, $3,332,861 ($3,306,109).

Nickel oxide: Netherlands, $74,870; United Kingdom, $74,592; United States, $10,814; Total, $160,276 ($96,794). Nickel in matte or speiss: United Kingdom, $711,756; Netherlands, $356,562; Norway, $254,448; United States, $160,650; Total, $1,483,416 ($1,344,403).

Aluminium Exports

The export of aluminium in blocks in September had a value of $1,882,244 compared with $2,044,926 in August and $778,134 in September, 1937. Leading purchasers were as follows: United Kingdom, $1,132,956; Germany, $410,572; United States, $90,500; China, $82,879; Japan, $57,086; Russia, $47,798; Sweden, $26,677; British India, $13,767.

Copper Exports

The export of copper in ingots, bars, etc., in September was valued at $3,434,217 compared with $3,118,162 in August and $3,614,838 in September last year. Leading purchasers were as follows: United Kingdom, $1,504,744; Germany, $1,233,170; France, $191,513; Netherlands, $115,621; Sweden, $140,926; Czechoslovakia, $72,613; Belgium, $71,619.

All the blister copper at $256,566 went to the United States. Copper in ore, etc., amounted to $591,367, of which $281,358 went to the United States, $139,291 to Netherlands and $113,939 to Japan. The export of copper in rods, sheets, etc., was valued at $398,178, of which $243,664 went to the United Kingdom and $82,016 to the Netherlands.

Export of Planks and Boards

The export of planks and boards in September was of the value of $3,014,793 as against $3,346,821 in August and $5,410,634 in September, 1937. The amount to the United Kingdom was $1,456,413 and to the United States $1,110,834. The Douglas fir export amounted to $885,253, the leading purchaser being the United Kingdom at $540,283, followed by the United States at $143,525, British South Africa $42,676, Australia $42,579, Portuguese Africa $28,456, New Zealand $16,365. However, the largest item in the export of planks and boards was spruce at $967,085, the United Kingdom and the United States taking most of the export.

August Copper Production

The August output of copper was 49,321,991 pounds, as against 49,607,247 in July and 44,549,447 in August, 1937. At an average of 10.034 cents, the value was $4,948,969, compared with $4,884,330 in July at 9.846 cents. Blister copper in August was 42,137,133 pounds compared with 41,415,831 in July.

World Production of Copper

World production of refined copper in August is estimated at 148,908 tons, compared with 139,483 in July. The United States output was 38,053, an increase over July of 2,457.

August Nickel Production

Production of nickel in August was 16,548,872 pounds as against 17,404,131 in July and 20,666,636 a year ago. However, it was considerably ahead of the August, 1936 production of 12,379,095 pounds.

During the eight months ending August the production was 142,948,144 pounds, compared with 147,946,048 in the same period of 1937 and 107,927,120 in 1936.

Concentrated Milk Production in September

Production in September of all items of concentrated milk, combined, totalled 13,434,997 pounds, a decrease from the preceding month of 1,919,768, or 13 per cent, and a decrease from September, 1937, of 340,941 pounds or two per cent. This is the first month in the present year to record a decrease in comparison with the corresponding month of 1937.

The total manufacture of concentrated milk (all items combined) in the nine months ended September 30, was 132,718,116 pounds, compared with 107,918,614 in the corresponding period of 1937.

The total amount of concentrated milk held in storage at date of October 1, was 34,109,393 pounds, compared with 34,691,628 at the beginning of the preceding month. The quantity of evaporated milk in storage represented 64 per cent of the total for all items.

Retail Sales of New Motor Vehicles in September

Retail sales of new motor vehicles in September numbered 5,711 with a retail value of $6,566,378 compared with 7,204 units for $8,018,020 in August and 6,152 for $6,638,629 in September, 1937. The number sold in September this year was seven per cent lower than in September last year and 21 per cent less than in the preceding month. Sales for the first nine months of 1938 totalled 97,796, 20 per cent lower than in the corresponding period in 1937 when the total was 122,150.

Motor Vehicle Financing in September

The sales of motor vehicles financed in September totalled 11,711 units for a total of $4,876,984 compared with 13,748 for $5,673,207 in the previous month and 12,476 for $5,082,805 in the corresponding month last year. The decline from the previous month in the number of units financed was six per cent. The narrowing of the margin of decrease from the corresponding months of 1937, which has been taking place since early summer, was thus continued during the month under review.

During the first nine months of the year 131,015 new and used vehicles were financed to the extent of $56,444,055 as compared with 148,257 financed for $62,689,845 in the same period last year. New vehicles financed during the period totalled 36,566 compared with 47,134 and used vehicles 94,449 compared with 101,123 in the corresponding period of 1937.

Output of Central Electric Stations

The output of central electric stations in Canada during September was 2,163,645,000 kilowatt hours and the index number, adjusted for seasonal variations, rose to a new high for the year at 223.61, as compared with 217.88 for 2,071,901,000 kilowatt hours for August and 227.81 for 2,204,291,000 kilowatt hours for September last year. Exports to the United States increased from 149,493,000 kilowatt hours in August and 143,441,000 a year ago to 151,691,000.

Iron and Steel Production

Production of pig iron in Canada totalled 49,972 long tons in September compared with 49,477 in the previous month and 76,180 in September, 1937. For the first nine months of this year a total of 554,845 tons of pig iron was produced. During the corresponding period of last year production was reported at 654,438 tons.

Ferro-alloys at 3,174 tons compares with 1,857 in August and 7,720 in September a year ago. Production of steel ingots and castings amounted to 73,556 tons. In the previous month the tonnage was reported at 82,781 tons and in September 1937 at 114,622 tons. For the nine months ending September the cumulative production was 911,005 tons against 1,077,462 a year ago.

Consumption of Supplies by the Gold Mining Industry

Canadian gold mining companies paid over $40,625,000 in 1937 for consumable stores, equipment, electric power, fuel, freight and insurance, an increase of 40 per cent over the figure for 1935, the last year in which a similar survey was made. Companies in Ontario used a large part of these supplies, totalling $25,735,255, followed by Quebec with $6,443,970, British Columbia and Yukon $4,782,813, Saskatchewan and North West Territories $1,733,161, Manitoba $1,651,811 and Nova Scotia $278,347.

Non-Ferrous Smelting and Refining Industry

The gross value of products from plants engaged primarily in the smelting of non-ferrous ores or concentrates and the refining of metals recovered therefrom totalled $318,278,251 in 1937, the highest ever recorded for this industry. Refined products included gold, silver, copper, lead, zinc, aluminium, cobalt, cadmium, selenium, tellurium, radium salts, uranium compounds and sulphur.

Production of Crude Petroleum

Canadian output of crude petroleum and natural gasoline in August advanced to 817,706 barrels from the preceding month's high record of 693,332 and the August, 1937 total of 291,641 barrels. During the first eight months of the current year, 4,430,463 barrels were produced compared with 1,599,185 in the corresponding period of 1937. Output in Alberta during August totalled 799,023 barrels and included 794,630 from the Turner Valley field, 1,168 from Red Coulee field, 1,770 from Wainwright-Ribstone and 1,455 from Tabor.

Natural Gas Production in August

Natural gas production in Canada during August totalled 1,758,586,000 cubic feet compared with 1,583,803,000 in the previous month and 1,428,900,000 in August, 1937. During the first eight months of this year 21,327,921,000 cubic feet were produced compared with 20,338,110,000 a year ago.

Retail Sales of Gasoline

The following were the retail sales of gasoline in Canada during the seven months ending July, with the corresponding figures for 1937 in brackets: Prince Edward Island, 1,635,000 (1,661,000) gallons; Nova Scotia, 15,106,000 (15,029,000); New Brunswick, 10,897,000 (10,611,000); Quebec, 68,447,000 (65,115,000); Ontario, 181,904,000 (174,110,000); Manitoba, 18,643,000 (16,049,000); Saskatchewan, 31,164,000 (24,436,000); Alberta, 38,119,000 (40,216,000); British Columbia, 31,302,000 (29,511,000); Total, 397,217,000 (376,778,000). The Alberta total includes diesel oil.

Improvement in Employment

Industrial employment at the beginning of October showed further substantial improvement, according to statements received by the Dominion Bureau of Statistics from 10,983 firms whose staffs aggregated 1,119,291 persons, as compared with 1,104,865 in the preceding month. Employment was in greater volume than in any year since 1930, with the exception of 1937.

A year ago, 10,398 employers reported payrolls aggregating 1,197,647 workers, or 23,351 more than at September 1 last year; this year the increase is 14,426, but while the increase is smaller than a year ago, it exceeds the average gain indicated between September and October in the years 1921 to 1937.

Manufacturing was quieter at October 1 than in the preceding month, the greatest losses in employment being those of a seasonal character in lumber and food canning; on the other hand, textiles showed further pronounced improvement. Among the non-manufacturing industries, logging, mining, transportation, trade and services reported considerably increased activity, while communications and services showed seasonal curtailment. The expansion in logging operations was less than normal, according to the experience of past years; the improvement in construction, on the other hand, was contra-seasonal.

Considerable improvement was shown in Nova Scotia, New Brunswick, Quebec, Ontario and Saskatchewan; in Alberta there was no general change from the preceding month, while firms in Prince Edward Island, Manitoba and British Columbia reported reduced activity. Except in Prince Edward Island and the three Prairie Provinces, employment was at a lower level than at October 1, 1937. In the Maritime Provinces, the index was lower than at the same date in 1936, but elsewhere employment was in greater volume, while the situation generally was better than at the beginning of October of other years since 1930.

World Wheat Situation

Despite the disturbed market conditions in late September, Canadian wheat exporters have been doing a fair business with overseas markets, although the bulk has been confined to the United Kingdom. Overseas clearances of Canadian wheat have been ranging between three and four and a half million bushels weekly, and with heavy bookings ahead, it is expected that the outward movement of wheat will be accelerated during the next few weeks. Norway has been buying both Canadian and Russian wheat, while the Netherlands has bought mostly United States, Russian and Danubian wheat, although a fair business in Canadian wheat is still expected from that country. Greece has been buying from Russia and the Danubian countries. German buying has been quiet recently, and Italy is not expected to be in the market until later in the season when supplies from the Danube and Argentina may be taken.

While world shipments of wheat and wheat flour at 118,500,000 bushels for the first eleven weeks of the crop year are 27,400,000 bushels larger than for the same period a year ago, weekly shipments during the past four weeks have just held pace with last year's movement. Weekly totals continue to approximate 10,000,000 bushels, but slightly better than that rate will need to be maintained for the balance of the crop year, if Broomhall's forecast of 548,000,000 for world shipments during the 1938-39 season is to be fulfilled. Within the past week, Canada assumed first place among the exporting countries for the current season, with total shipments of 29,600,000 bushels since August 1, according to Broomhall's figures. Russia ranks second with shipments totalling 27,000,000 bushels, followed by Australia's movement of 20,000,000. United States shipments for the eleven-week period total 18,800,000, Argentine shipments 11,300,000, and Danubian shipments 7,300,000 bushels. India has withdrawn from the export market for the time being, with her shipments since August 1 amounting to 3,200,000 bushels.

Production and Sales of Radio Receiving Sets

Production of radio receiving sets in Canada during April, May and June this year amounted to 51,185 with a factory selling value of $1,562,875. This compares with 15,648 units made in the previous quarter and 71,237 sets during the second quarter of a year ago. Manufacturers' sales during the quarter under review numbered 30,719 sets valued, at list prices, at $2,170,919 against second quarter sales in 1937 of 46,409 sets at $3,022,145. Data for the period under review, when compared with the figures for the corresponding period of last year, show that sales fell off in all areas excepting the Maritimes where they advanced slightly to 1,801 receivers from 1,726. Inventories of radio receiving sets in the hands of the manufacturers on June 30, 1938, totalled 71,762 against 49,504 on March 31st of this year and 69,120 on June 30, 1937.

Country General Store Sales

Country general store sales in Canada averaged 4 per cent lower in September this year than last. Sales were lower in all provinces, declines being as follows: Maritime Provinces and Manitoba, 10 per cent; Quebec and Ontario, 8; British Columbia, 3. Cumulative totals for the first nine months of the current year compared with last show no change in the dollar value of sales, declines in the Maritimes, Quebec, Ontario and British Columbia being offset by gains in the Prairie Provinces.

Retail Merchandise Trade in Quebec

Retail sales in Quebec increased 13.6 per cent in 1937 over the sales of the previous year. This is the greatest percentage increase to be recorded in any year since 1930 and is an improvement of 34 per cent over the low point reached in 1933. The value of retail trade was $565,921,000 in 1937 compared with $498,143,000 in 1936 and $651,138,500 in 1930, the first year for which these statistics of retail sales are available. The index of sales for the province for 1937 (on the base 1930=100), stands at 86.9 as compared with 76.5 in 1936. The improvement which has been recorded in many lines of business each year since 1933 was general in 1937. Practically all lines of business shared in the increase.

Canned Food Production

The production of canned foods in 1936 had a value of $73,651,999 compared with $61,735,270 in 1935. The development in this field has shown remarkable expansion since the beginning of the twentieth century. In 1900 the total value did not exceed $8,250,000. The 1936 total included the following canned goods: Fruit and vegetable preparations, $47,337,397 ($38,276,487 in 1936); fish, $16,705,722 ($14,454,027); condensed and evaporated milk, $8,507,866 ($8,142,184); meats, $1,101,014 ($862,572).

Bank Debits to Individual Accounts, September

The dollar volume of business in the form of bank debits showed a gain in September over the preceding month after seasonal adjustment. The total was $2,655,000,000 against $2,371,000,000, the increase, after the usual adjustment, having been 9.6 per cent. Despite gains in the Prairie Provinces and British Columbia, the Dominion total showed a decline of 3 per cent in September from the same month of 1937. Bank debits in the first nine months of 1938 amounted to $22,077,000,000 against $26,253,000,000 in the same period of 1937. Consequently, the decline was $4,176,000,000 or nearly 16 per cent. Each of the five economic areas recorded decline in this comparison.

Retail Prices, Rents and Costs of Services

The Dominion Bureau of Statistics index number of retail prices, rents and costs of services on the base 1926=100 fell from 84.9 in August to 84.1 in September. Declines in food prices, partially offset by gains for fuel and clothing were the chief factors contributing to this result. Retail prices, including foods, coal, coke, clothing, household requirements, tobacco, etc., declined from 80.3 in August to 78.9 in September.

Freight Traffic of Railways

Revenue freight loaded in July on Canadian railways and received from foreign connections amounted to 5,434,917 tons as against 6,698,709 in the corresponding month last year. Loadings of agricultural products totalled 797,879 tons compared with 710,910; animal, 163,045 against 204,138; mine, 2,250,695 against 2,765,332; forest, 638,344 against 867,641; and manufactures and miscellaneous 1,584,954 against 2,150,688 tons.

Births, Deaths and Marriages

Births registered in 67 cities and towns of Canada during September numbered 7,284, deaths 4,036 and marriages 4,751, as compared with 6,911 births, 4,061 deaths and 4,803 marriages in September last year, showing an increase of 5½ per cent in births, and decreases of one-half per cent in deaths and one per cent in marriages.

Decrease in Live Stock Population

Total numbers of all species of live stock on Canadian farms on June 1, 1938, showed a marked decline as compared with June 1, 1937. The total number of animal units at 12,517,000 was 3.7 per cent less, with the principal decreases occurring in cattle and hogs. While a downward trend in the total live stock population was anticipated, the decline has been accelerated by the feed shortages in the Prairie Provinces in 1936 and 1937. Although the decline will be arrested by the much improved feed situation this year, the downward trend in total numbers probably will be carried over into 1940.

Disease, lack of feed, and the introduction of light general purpose tractors have led to a further decline in the number of horses on farms. The population was estimated at 2,820,700 head as compared with 2,882,990. The horse population increased in Prince Edward Island, New Brunswick, Quebec, Ontario, Manitoba and British Columbia but gains in these provinces were offset by a drop of nearly two per cent in Alberta and a very sharp decline of 7.7 per cent in Saskatchewan.

Cattle at 8,511,000 were 329,300 fewer. This represents a decline of 3.7 per cent, of which a decrease of 312,500 head occurred in Saskatchewan where an almost complete crop failure necessitated liquidation of herds. Cattle numbers in Alberta decreased 6.6 per cent, and smaller declines were shown in British Columbia, Manitoba and Prince Edward Island. Total cattle numbers increased gradually from 1928 to 1934 when they reached a peak of 8,951,900. Since 1934 they have been decreasing and are now back to the 1932 level.

A 12 per cent decrease was shown in the number of hogs. With the exception of Prince Edward Island, the decline was common to all provinces, but was particularly heavy in Saskatchewan. Feed grain shortages in 1936 and 1937, and an unfavourable hog-feed ratio have been the chief causes of a downward trend in numbers since 1936. With a more favourable relationship between hog prices and feed prices now obtaining, some increase in fall and spring farrowings is anticipated. The total this year was 47,900,000. Last year it was 55,700,000.

There were 3,415,000 sheep compared with 3,339,900. Increases in numbers were recorded in six provinces, and decreases were shown in British Columbia, Saskatchewan, Ontario and Prince Edward Island. Numbers of sheep in Alberta increased by 8.5 per cent and in Manitoba by 6.8 per cent.

Reports Issued During the Week

1. Numbers of Live Stock on Farms, June 1 (10 cents).
2. Rigid Insulating Board Industry, September (10 cents).
3. Security Prices and Foreign Exchange (10 cents).
4. October Employment Situation (10 cents).
5. The Dairy Situation, June - August, 1938 (10 cents).
6. Exports of Living Animals, September (10 cents).
7. Exports of Farm Implements and Machinery, September (10 cents).
8. Exports of Petroleum and Its Products, September (10 cents).
9. Exports of Paints and Varnishes, September (10 cents).
10. Exports of Meats, Lard and Sausage Casings, September (10 cents).
11. Weekly Index Numbers of Wholesale Prices (10 cents).
12. Copper and Nickel Production, August (10 cents).
13. Production of Concentrated Milk, September (10 cents).
14. Financing of Motor Vehicle Sales, September (10 cents).
15. New Motor Vehicle Sales, September (10 cents).
16. Bank Debits to Individual Accounts, September (10 cents)
17. Car Loadings (10 cents).
18. Exports of Lumber, September (10 cents).
19. Exports of Milk, Milk Products and Eggs, September (10 cents).
20. Exports of Pulp Wood, Wood Pulp and Paper, September (10 cents).
21. Exports of Non-Ferrous Ores and Smelter Products, September (10 cents).
22. Prices and Price Indexes, September (10 cents).
23. Sales of Asphalt Roofing, September (10 cents).
24. Production of Asphalt Roofing, September (10 cents).
25. Traffic Report of Railways, July (10 cents).
26. Production and Sales of Radio Receiving Sets, April, May and June (10 cents).
27. The Non-Ferrous Smelting and Refining Industry, 1937 (10 cents).
28. Special Bulletin on the Consumption of Supplies by the Gold Mining Industry in Canada, 1937 (10 cents)
29. Sugar Report - September 17 to October 8, 1938 (10 cents).
30. Canadian Grain Statistics (10 cents).
31. Registration of Births, Deaths and Marriages, September (10 cents).
32. Indexes of Country General Store Sales, September (10 cents).
