WEEKLY BULLETIN

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Department of Trade and Commerce

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Weekly Review of Economic Conditions

The index based on six factors reflecting the trend of business conditions advanced in the first week of March over the closing week of February. Relief in the pressure of foreign uncertainty seems to have had a salutary effect on business sentiment. The much publicized crisis failed to materialize in the first week of March and coupled with a definite swing to the right noted in American quarters lends encouragement to recovery. Four of the six items used in the index advanced in the week. The most significant gain was shown in the index of bank clearings.

Compared with the same week one year ago, five of the six factors remained at lower levels, the only exception being capitalized bond yields.

Carloadings in the eighth week of the year amounted to 39,888 cars - practically the same as for the previous week, but 6,539 cars below last year's total of 46,427. Decreases were shown in both Eastern and Western divisions. The seasonally adjusted index for the Dominion showed a slight gain from 68.53 to 68.54. The only encouraging feature was the advance in merchandise, miscellaneous and other forest products. In the elapsed portion of the year, compared with the same period of 1938 increases were recorded in grain and grain products, coke, pulp and paper, and lumber. All other groups showed decline, the net result being a loss of 42,515 cars.

Wholesale commodity markets moved irregularly lower during the week and the index declined to 73.2 from 73.3. Non-ferrous metals were slightly firmer but vegetable and animal products weakened. Wheat No. 1 Northern lost three-eighths of a cent in the week and other grains were off proportionately. Cattle steers at Toronto advanced from $6.24 to $6.61, but bacon hogs declined. Textile prices were firmer on American markets. The price of copper standard at London was £43 on the 7th compared with £41 18s 9d on the last day of February. Minor recession was shown in tin and lead, while zinc was up 2s 6d at £13 12s 6d. Metals were firm to stronger on the New York metal market. Export copper advanced from 10.025 on the 28th to 10.16 on the 7th. Lead and zinc were firm while tin advanced slightly.

Canadian common stock price averages moved into higher territory during the week. Trading volume improved moderately. All sections of the index, with the exception of oils, and banks, registered average gains which ranged from 11.1 points for industrial mines to 0.7 for transportation. The mining markets were also buoyant. An upward movement accompanied by fairly heavy trading characterized the week's activity. The Bureau's general mining stock index rose from 157.7 to 160.0, base metals being particularly strong.

Bond prices were relatively steady during the week although investors' interest seemed to have shifted to the stock board. The high-grade United States bonds advanced to the highest point since last March. The average yield of the issues used in the Canadian index fell below three per cent at 2.99. The British pound remained firm at Montreal. As a result of the Currency and Bank Notes Act of 1939, which came into effect on March 1, Bank of England gold reserves were revalued at the current market price, automatically increasing their reserve valuation by some $500,000,000. The American dollar continued its irregular decline towards parity with the Canadian, closing at $1.00 3/8 on March 2.

The weekly index, based on the six above mentioned factors, showed an advance of 1.7 per cent over the preceding week, the standing having been 107.6 against 105.8, the only important exception to the general advance being a decline of .01 per cent in wholesale prices. When compared with the same week one year ago, the increase of over five per cent in bond prices was not sufficient to offset declines in all other factors, and the index consequently remained three per cent below the standing one year ago, when the aggregate was 110.9, the most serious recessions having occurred in carloadings and wholesale prices.

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]
Mar. 5, 1938	79.6	83.5	154.6	100.4	109.3	98.4	110.9
Feb. 25, 1939	68.5	73.3	162.1	88.3	104.1	80.6	105.8
Mar. 4, 1939	68.5	73.2	162.6	98.0	105.3	71.0	107.6

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.

Sales and Purchases of Securities

The volume of Canada's international trade in securities recorded slight decline from December but was substantially in excess of the total for January last year. The total value was $67,620,612 compared with $68,123,425 in December and $61,486,894 a year ago. Sales in January were markedly higher, aggregating $43,430,722 compared with $30,514,301 the month before and $32,736,799 in 1938. Purchases from all countries were lower, totalling $24,189,890 compared with $37,609,124 in December and $28,750,095 in January, 1938.

Sales to the United States in January aggregated $34,120,985 compared with $24,232,435 in December and $26,262,135 a year ago, and Canada's purchases from that country totalled $18,992,444 compared with $29,311,971 in the previous month and $21,308,845 last year. Sales to the United Kingdom amounted to $6,194,731 compared with $3,488,019 in December and $4,458,753 in the corresponding month last year. Purchases from the United Kingdom were $3,845,667 in January compared with $7,207,054 in December and $6,535,435 a year ago.

Earnings of Employees in Merchandising Establishments

Weekly earnings of full-time male employees in independent retail stores averaged $20.90 in 1937 compared with $20.48 in 1936, increases being general for all provinces and for about two-thirds of the individual lines of businesses for which data are available. Average earnings per full-time male employee were highest in Manitoba at $24.15 and lowest in Prince Edward Island at $16.65. Averages for other provinces follow: British Columbia, $22.87; Ontario, $22.06; Alberta, $21.58; New Brunswick, $19.54; Nova Scotia, $18.77; Saskatchewan, $18.53; and Quebec, $18.11.

The average figure for full-time female employees of independent retail stores was $13.74 in 1937 compared with $13.57 in 1936, and ranged from $15.04 in British Columbia to $9.76 in Prince Edward Island. The remaining provinces were as follows: Alberta, $14.50; Ontario, $14.43; Manitoba, $13.65; Saskatchewan, $13.62; Quebec, $12.25; Nova Scotia, $11.90; New Brunswick, $11.52.

Chain stores reported weekly earnings for full-time male employees of $21.20 in 1937 compared with $21.14 the year before. The range provincially was between $19.00 in Quebec and $24.05 in Manitoba, the remaining areas being as follows: Prince Edward Island, $23.03; Alberta, $22.83; British Columbia, $22.18; Ontario, $21.96; New Brunswick, $21.89; Saskatchewan, $20.77; Nova Scotia, $19.84.

Weekly earnings for full-time female employees in chain organizations were also practically unchanged from 1936, the average being $13.12 compared with $12.96. The figures follow by provinces: British Columbia, $14.33; Saskatchewan, $14.26; Manitoba, $14.34; Ontario, $13.42; Alberta, $13.43; Quebec, $12.46; Nova Scotia, $11.44; New Brunswick, $10.98; and Prince Edward Island, $9.09.

Weekly earnings of full-time male employees in wholesale trading establishments averaged $27.17, being somewhat lower than the $27.78 calculated for 1936. The averages follow by provinces: Ontario, $28.74; Alberta, $28.64; Manitoba, $28.38; Saskatchewan, $28.20; British Columbia, $27.80; Quebec, $26.40; Nova Scotia, $25.33; New Brunswick, $24.21; Prince Edward Island, $18.66.

The average weekly wage paid to full-time female employees in wholesale houses was $16.89 in 1937, practically unchanged from 1936, and was as follows by provinces: British Columbia, $18.75; Alberta, $18.18; Ontario, $17.80; Saskatchewan, $17.27; Manitoba, $16.57; Quebec, $15.72; Prince Edward Island, $15.68; Nova Scotia, $15.00; and New Brunswick, $13.77.

Imports of Farm Implements and Machinery

Farm implements and machinery imports were sharply lower in January, amounting to $480,000 compared with $512,000 in the previous month and $1,442,000 in the corresponding month last year. The drop in the value of internal combustion traction engines valued up to $1,400 each was outstanding, the value being $161,200 compared with $232,000 in December and $953,000 a year ago. These engines come chiefly from the United States. During the 10 months ended January, farm implements and machinery imports totalled $15,367,000, an increase of about $91,000 over the corresponding period last year.

Imported Paper

Canada's January imports of paper recorded advance, totalling in value $597,463 in comparison with $528,162 in the previous month and $542,722 in the corresponding month last year. The United States contributed to the value of $483,900. Total imports during the 10 months ended January were valued at $6,200,733 compared with $6,610,470 in the corresponding period of the previous fiscal year.

Imports and Exports of Fresh Vegetables

Canada imported fresh vegetables to the value of $466,699 in January compared with $361,164 in the previous month and $450,147 in the corresponding month last year, and included the following leading varieties: tomatoes, $95,820; lettuce, $91,950; celery, $64,872; green beans, $34,313; spinach, $23,522; sweet potatoes, $21,157; carrots, $20,138; cauliflower, $18,309, onions, $12,650. The value of the import from the United Sates was $379,545.

Domestic exports of fresh vegetables were worth $142,471 compared with $138,629 in December and $146,513 in January, 1938. These went chiefly to the United States and consisted largely of turnips. In addition to the foregoing, Government certified seed potatoes were exported to the value of $337,804 compared with $226,173 in December and $31,926 in January, 1938. Cuba took seed potatoes to the value of $149,634 and the United States $141,525.

Imports and Exports of Fresh Fruits

Fresh fruits were imported in January to the value of $1,022,720 compared with $1,122,898 in the previous month and $919,847 in the corresponding month last year. The United States supplied to the value of $898,073 and included the following leading items: oranges, $568,909; grapefruit, $96,418; grapes, $80,555; lemons, $80,084; bananas, $45,332.

Domestic exports of fresh fruits in January totalled $1,387,332 compared with $1,327,772 in December and $1,016,567 in the corresponding month last year. The United Kingdom, Germany and the United States were the chief purchasers.

The January export of Canadian apples was at a higher level, amounting to 394,043 barrels valued at $1,354,038 compared with 351,846 at $1,316,232 in the previous month and 269,491 at $1,007,134 in January, 1938. Although the United Kingdom took the bulk at 275,744 barrels, Germany loomed large with 56,331 barrels, Belgium 19,250 and Netherlands 21,192 barrels. Considerable advance was shown in the export of Canadian apples during the 10 months ended January, the total being 2,527,062 barrels compared with 1,886,242 in the corresponding period of the previous fiscal year.

January Imports of Lumber

Canada imported 4,473,000 feet of lumber in January compared with 4,400,000 in the previous month and 7,406,000 in the corresponding month last year. The amount from the United States was 4,441,000 feet, and included 1,272,000 feet of white pine, 1,085,000 of oak, 353,000 of gumwood, 331,000 of Douglas fir, 255,000 of walnut, 139,000 of Southern yellow or pitch pine and 97,000 feet of hemlock. Total imports of lumber during the 10 months ended January were 60,049,000 feet compared with 96,529,000 in the corresponding period of the previous fiscal year.

Imports of Vegetable Oils

Canada's import of vegetable oils was valued at $541,000 in January compared with $404,000 in the previous month and $876,000 in the corresponding month last year. Peanut oil and palm and palm kernel oil were the leaders. During the ten months ended January the imports of vegetable oils totalled $9,266,953 compared with $13,561,431 in the corresponding period of the previous fiscal year.

Imports and Exports of Fertilizers

Canada imported 171,398 cwt. of fertilizers during January compared with 639,401 in December and 182,745 in the corresponding month last year. Domestic exports totalled 710,010 cwt., consisting mainly of cyanamid and ammonium sulphate, compared with 494,969 cwt. in the previous month and 534,730 a year ago.

Production of Leading Minerals

The production of Canada's leading mineral products during 1938 was as follows, with figures for 1937 in brackets: asbestos, 289,822 (410,026) tons; cement, 5,507,014 (6,168,971) barrels; clay products, $4,141,305 ($4,516,859); coal, 14,247,783 (15,833,954) tons; copper, 587,485,991 (530,028,615) pounds; feldspar, 12,734 (21,346) tons; gold, 4,715,856 (4,096,213) fine ounces; gypsum, 1,014,205 (1,047,187) tons; lead, 418,994,818 (411,999,484) pounds; lime, 473,631 (549,353) tons; natural gas, 33,159,466,000 (32,380,991,000) cubic feet; nickel, 210,264,847 (224,905,046) pounds; petroleum, 6,946,479 (2,996,033) barrels; commercial salt, 268,726 (253,808) tons; silver, 22,265,607 (22,977,751) fine ounces; zinc, 381,149,289 (370,337,589) pounds.

Production of Coal and Coke

Canadian mines produced a total of 1,178,360 tons of coal in January compared with 1,467,355 in the corresponding month last year and the five-year average for the month of 1,433,801 tons. Bituminous coal output in January totalled 713,414 tons, sub-bituminous 50,701 and lignite 414,245 tons.

Imports of coal in January amounted to 467,479 tons compared with 533,897 tons a year ago, while the average for the month during the past five years was 516,459 tons. Exports of Canadian coal in January stood at 40,036 tons compared with 44,193 last year and the five year average, 35,544.

Canada's coal supply, computed on the basis of production plus imports less exports, amounted to 1,605,803 tons in January compared with 1,957,059 in the corresponding month last year.

Production of coke in January was computed at 202,428 tons compared with 193,654 in December and 223,908 in January, 1938. The January total included 12,424 tons of breeze, 5,740 tons being made in the eastern provinces, 5,688 tons in Ontario and 996 in the West.

Stone Quarrying

Canadian production of stone in 1937, including all varieties, totalled 6,935,612 short tons valued at $6,939,380 compared with 4,982,912 tons at $5,134,153 in 1936 and 9,994,656 worth $13,037,209 in 1930. The value of the 1937 output was the greatest since 1932, an increase that particularly reflects a revival in construction. Of the total quantity of stone produced in the Dominion in 1937 the quarries of Ontario and Quebec contributed 60.9 and 28.2 per cent, respectively.

Wheat Stocks in Store

The visible supply of Canadian wheat for the week ending March 3 was 146,694,963 bushels compared with 148,787,720 in the previous week and 47,361,685 in the corresponding week last year. Canadian wheat in the United States amounted to 3,650,000 bushels compared with 3,971,000 the week before and 1,946,000 a year ago.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces for the week ending March 3 totalled 1,174,637 bushels compared with 581,247 the week before and 1,398,779 in the corresponding week last year. The receipts were as follows by provinces, with figures for 1938 in brackets: Manitoba, 79,646 (299,976) bushels; Saskatchewan, 413,784 (337,792); Alberta, 681,207 (761,111).

Marketings in the three provinces during the thirty-one weeks ended March 3 aggregated 262,314,853 bushels compared with 107,653,457 in the corresponding period of the previous crop year. The totals follow by provinces: Manitoba, 40,840,938 (33,818,380) bushels; Saskatchewan, 104,439,981 (22,791,852); Alberta, 117,033,934 (51,043,225).

Overseas Export Clearances of Wheat

Considerable advance was shown in the amount of wheat cleared for export overseas during the week ended March 3, the total being 2,285,941 bushels in comparison with 812,765 a year ago. Imports of Canadian wheat into the United States for consumption and milling in bond for re-export were also higher, totalling 242,000 bushels compared with 4,000. Export clearances during the period August 1 to March 3 aggregated 85,456,620 bushels compared with 53,431,785 in the corresponding period of the previous crop year, while imports into the United States amounted to 5,507,915 bushels compared with 1,992,361.

Production of Butter and Cheese

The production of creamery butter in February was higher than it was a year ago but recorded decline from the preceding month, the total being 8,338,951 pounds compared with 9,798,640 the month before and 7,612,102 in February, 1938. Nova Scotia was the only province to show a decline from last year's output.

The February output of cheese recorded a sharp advance over the same month last year, but was lower than in the previous month. The total in the latest month was 1,089,155 pounds compared with 1,405,930 in January and 553,417 in February, 1938.

Production of Leather Footwear

Canada's production of leather footwear in January amounted to 1,520,498 pairs, the highest output for that month for which monthly statistics are available. In the previous month the output totalled 1,570,190 pairs and in January last year, 1,461,629.

Wholesale Sales in January

With seven out of nine lines of business reporting higher sales in January, wholesale sales in Canada averaged almost two per cent greater than in the corresponding month last year. While the increase was not large, it is significant in that it represents a reversal of the unfavourable showings which characterized corresponding month comparisons for 1937 and 1938. The composite index for the nine lines of business stands at 69.4 compared with 86.7 for December and 68.3 for January, 1938.

Commercial Failures in 1937

The total number of commercial failures in Canada during 1937 as reported under the provisions of the Bankruptcy and Winding Up Acts, was lower at 1,126 compared with 1,198 in 1936, 1,314 in 1935 and 1,532 in 1934. The defaulted liabilities totalled $14,303,362 compared with $15,144,945 in 1936, $17,567,002 in 1935 and $23,598,260 in 1934.

Cost of Living

Moderate reductions in food prices, augmented to some extent by easier quotations for wood and coke, resulted in a decline in the Canadian cost of living index number from 83.1 in January to 82.9 in February. The comparative figure for February 1938 was 83.9. The food price index fell from 75.2 in January to 74.5.

Fur Farming in Canada

Fur farming in Canada reached unprecedented heights in 1937, there being 1,037 more farms in the country as a whole than in 1936. The number was 9,179 in comparison with 8,142. More animals and pelts were sold during the year but average prices were lower but despite the drop in prices total revenues advanced to $6,810,386 from $6,539,210 in 1936.

All provinces excepting New Brunswick and Quebec reported a greater number of farms. Quebec was the leader in this respect with a total of 2,541 farms, followed by Ontario with 1,278, Prince Edward Island 1,216, New Brunswick 1,012, Nova Scotia 1,002, Manitoba 662, Alberta 587, Saskatchewan 491, British Columbia 380 and Yukon 10.

Ontario was the leader from a value standpoint. The value of fur-bearing animals on Ontario fur farms was $2,085,875, Quebec following with $1,797,806, Manitoba $1,311,427, Alberta $1,186,450, Prince Edward Island $945,542, New Brunswick $734,002, Saskatchewan $689,770, Nova Scotia $510,769, British Columbia $402,646 and Yukon $12,144.

The number of pelts sold from fur farms totalled 259,870 valued at $5,779,498 compared with 215,950 for $5,708,438 in 1936. Silver fox was by far the leader, 196,436 pelts being sold for $5,019,487 compared with 162,999 for $4,590,290 in 1936. Mink was next with 54,819 pelts valued at $681,475 compared with 40,844 at $652,940 a year ago.

The number of fur bearing animals on the farms at the end of 1937 was 241,359, of which the silver fox population accounted for 153,822, or 64 per cent of the total; the number of mink was 71,410, or 30 per cent. The chinchilla, a native of the Andes in South America, is recorded in the Canadian fur farming industry for the first time. The number was two. Others were: cross fox, 1,388; muskrat, 10,003; red fox, 1,119; blue fox,723; beaver, 787 and racoon, 865.

Reports Issued During the Week

1. Canadian Grain Statistics (10 cents).
2. Sugar Report - February 4 to 25, 1939 (10 cents).
3. The Pack of Canned Fruits and Vegetables, 1938 (25 cents).
4. Advance Report on the Fur Farms of Canada, 1937 (10 cents).
5. The Stone Industry, 1937 (25 cents).
6. Miscellaneous Chemical Products Industry, 1937 (10 cents).
7. Price Movements, February (10 cents).
8. Index Numbers of Wholesale Prices (10 cents).
9. Commercial Failures, 1937 (25 cents).
10. Coal and Coke Statistics, January (10 cents).
11. Monthly Indexes of Wholesale Sales, January (10 cents).
12. Car Loadings on Canadian Railways (10 cents).
13. Central Electric Stations, 1937 (10 cents).
14. Production of Leather Footwear, January (10 cents).
15. Monthly Review of Dairy Production, February (10 cents).
16. Production of Leading Mineral Products, December (10 cents).
17. Sales and Purchases of Securities Between Canada and Other Countries, January (10 cents).
18. Monthly Review of Business Statistics, February (10 cents).
19. Weekly Earnings of Employees in Merchandising Establishments, 1937 (25 cents).
20. Security Prices and Foreign Exchange (10 cents).
21. Imports and Exports of Fertilizers, January (10 cents).
22. Imports and Exports of Vegetable Oils, January (10 cents).
23. Imports and Exports of Canned and Preserved Fruits, January (10 cents).
24. Imports and Exports of Fresh Fruits, January (10 cents).
25. Imports of Lumber, January (10 cents).
26. Imports and Exports of Fresh Vegetables, January (10 cents).
27. Imports of Stoves, Sheet Metal Products, Refrigerators, January (10 cents).
28. Imports of Pulp Wood, Wood Pulp and Paper, January (10 cents).
29. Imports of Farm Implements and Machinery, January (10 cents).
