WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce

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Weekly Review of Economic Conditions

An average of economic factors showed a gain for the second consecutive week. Four of the factors recorded an advance while the index of wholesale prices was unchanged. Bank clearings recorded a decline of nearly two per cent.

The weekly index since the beginning of the year has followed much the same pattern as for 1938, but the level has been somewhat lower. Three of the indexes used in this connection recorded gains over the same week of 1938. Declines were shown in carloadings and wholesale prices and minor recession was also recorded in common stocks.

Carloadings showed a gain in the ninth week of the year. The railway freight movement in the last two months has been considerably below that of 1938 although increases have been recorded in the movement of grain, coke, lumber, and pulp and paper.

The manufacture of sugar was more than 23 million pounds in February against 18.6 million in the preceding month, a considerable gain having been shown after seasonal adjustment. The meat-packing industry was nearly as active in February as in the first month of the year, adjusted gains having been shown in hog and sheep slaughterings. The production of factory cheese showed a gain of about four per cent after seasonal adjustment, while a recession was recorded in the output of creamery butter. The cotton textile industry was slightly more active in February than in the preceding month, the index of raw cotton consumption moving up from 92.5 to 94.9. The newsprint industry was more active in February after seasonal adjustment. The advance in the index was nearly eight points to 147.4.

Wholesale prices were fully maintained in the week of March 10, the comprehensive index remaining unchanged at 73.2. Minor advances were recorded in textiles and non-ferrous metals. Prices of materials used by manufacturing concerns showed a slight increase over the preceding week, the index advancing from 51.1 to 51.3. Metal prices were stronger on the London exchange, electrolytic copper moving up 10s to £48 on March 14th as compared with March 7th. Advances were also shown in tin, lead and zinc. Export copper on the New York market advanced from 10.16 to 10.26, and an upward movement was shown in the price of lead.

A striking development of the week was the advance in high-grade bond prices, a new high point having been reached for the period of observation. The yield of the issues used in this connection dropped from 2.99 to 2.95. The 4's of 1947-52 were bid at 108¼ against 108 on March 7th.

Common stocks were relatively strong in the week of March 9th, the index having advanced from 105.3 to 107.0. Advances were recorded in each of the groups except foods. The index of 15 power and traction stocks advanced from 59.5 to 62.3. The deficit from the same week of last year was greatly reduced, amounting to only 0.4 per cent.

The adjusted index of bank clearings has followed closely the fluctuations during the same period of 1938. Clearings in February were $1,162.8 million against $1,168.1 million in the same month last year.

The weekly index based on six factors rose from 107.6 in the week of March 4th to 108.3 in the week under review, a gain of 0.7 per cent. The adjusted index of bank clearings showed the only recession of the week. The standing in the same week of 1938 was 109.7, a decline of 1.2 per cent having been indicated. A higher position was recorded for capitalized bond yields, bank clearings and speculative trading.

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. 12, 1938	77.2	83.2	156.3	95.8	107.4	57.1	109.7
Mar. 4, 1939	68.5	73.2	162.6	98.1	105.3	71.0	107.6
Mar. 11, 1939	69.5	73.2	164.5	96.2	107.0	92.5	108.3

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.

Domestic Exports in February

Canada's domestic exports in February were valued at $61,727,338 compared with $60,155,402 in the corresponding month last year, recording an increase of $1,571,936. Exports of foreign produce in February totalled $671,278 in comparison with $825,801.

The principal domestic exports in February were as follows, with figures for February, 1938, in brackets: newsprint, $6,533,514 ($5,964,499); unmanufactured nickel, $4,551,196 ($5,475,011); partially manufactured copper, $3,796,196 ($3,075,375); wheat, $3,531,726 ($3,689,813); gold other than monetary, $3,601,290 (nil); planks and boards, $3,530,755 ($2,300,059); meats, $2,466,397 ($2,901,109); automobiles and parts, $2,448,520 ($3,020,928); wood pulp, $1,781,886 ($2,390,320); furs, $1,774,870 ($2,071,106); wheat flour, $886,944 ($1,566,582); cheese, $132,718 ($71,465).

Canada's domestic exports during the eleven months ended February aggregated $850,812,863 compared with $996,009,201 in the corresponding period of the previous fiscal year, while foreign exports totalled $41,757,839 compared with $13,699,943.

The chief domestic exports were as follows, with figures for the eleven months ended February, 1938, in brackets: newsprint, $97,972,150 ($111,322,213); gold other than monetary, $81,558,215 ($86,203,736); wheat, $80,507,346 ($111,821,286); partially manufactured copper, $47,668,693 ($51,301,741); unmanufactured nickel, $44,697,758 ($55,740,101); planks and boards, $33,749,701 ($40,532,981); meats, $32,035,616 ($38,096,822); fish, $24,389,806 ($25,107,204); wood pulp, $24,300,809 ($37,060,727); automobiles and parts, $22,430,698 ($24,988,336); wheat flour, $14,667,612 ($21,450,582); furs, $12,876,837 ($13,415,577); cheese, $11,914,887 ($12,792,455).

February Export of Wheat and Flour

The volume of Canada's February export of wheat and wheat flour proceeded to higher levels, but due to the decline in average export prices the values were lower. The total of wheat exported in February this year was 5,746,333 bushels valued at $3,531,736 compared with 2,838,804 at $3,689,813 a year ago, while wheat flour totalled 290,766 barrels valued at $886,944 compared with 272,488 at $1,566,582. The United Kingdom took 3,848,407 bushels of wheat and 181,817 barrels of flour in February this year compared with 2,332,717 bushels of wheat and 167,691 barrels of flour a year ago.

During the eleven months ended February Canada's export of wheat aggregated 114,283,358 bushels valued at $80,507,346 compared with 86,141,474 at $111,821,286 in the corresponding period of the previous fiscal year, recording a considerable improvement in volume but a drop in value. Wheat flour shipments totalled 3,712,191 barrels appraised at $14,667,612 compared with 3,603,153 worth $21,450,582 in the corresponding period of 1937-38.

Department Store Sales in February

Dollar volume of Canadian department store sales during February declined five per cent from February last year, although recording a fractional increase over the previous month. Unadjusted indexes, on the 1930 base as 100, were 54.8 for February, 54.6 for January and 57.8 for February, 1938.

Wheat Stocks in Store

The visible supply of Canadian wheat for the week ending March 10 was reported as 145,098,241 bushels compared with 146,694,963 in the previous week and 47,010,971 in the corresponding week last year. Canadian wheat in the United States amounted to 3,357,000 bushels compared with 3,650,000 the week before and 1,888,900 a year ago. Wheat in rail transit totalled 2,009,344 bushels compared with 1,551,425 last year.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces for the week ending March 10 totalled 1,242,282 bushels compared with 1,267,806 in the previous week and 1,203,523 in the corresponding week last year. The totals follow by provinces, with figures for 1938 in brackets: Manitoba, 153,882 (355,484) bushels; Saskatchewan, 545,948 (309,026); Alberta, 542,452 (539,013).

Marketings in the three Prairie Provinces for the thirty-two weeks ended March 10 aggregated 263,650,304 bushels compared with 108,856,980 in the corresponding period of the previous crop year. The totals follow by provinces: Manitoba, 41,010,213 (34,173,864) bushels; Saskatchewan, 105,004,823 (23,100,878); Alberta, 117,635,268 (51,582,238).

Overseas Export Clearances of Wheat

Overseas export clearances of wheat totalled 1,367,370 bushels during the week ending March 10 compared with 794,747 in the corresponding week last year, while imports into the United States for consumption and milling in bond for re-export were 193,000 bushels against 1,000. Considerable improvement was shown in the amount of wheat cleared for export overseas during the period August 1 to March 10, the amount being 86,823,990 in comparison with 54,226,532 in the corresponding period of the previous crop year. Imports into the United States were also advanced, totalling 5,700,915 bushels compared with 1,993,361.

Grain Situation in Argentina

The volume of the principal Argentine field crops, excluding maize, shows a decrease in all yields except wheat, according to the second official estimate. The first estimate was made in December last. The revised estimates follow, the first estimate being in brackets: wheat, 319,665,000 (315,991,000) bushels; linseed, 61,021,000 (63,777,000); oats, 46,686,000 (48,631,000); barley, 20,209,000 (22,047,000); rye, 10,826,000 (11,614,000).

Production of Copper and Nickel

The Canadian production of copper in January totalled 48,257,536 pounds compared with 49,520,452 in the previous month and 52,454,135 in the corresponding month last year. Blister copper output amounted in January to 41,303,435 pounds compared with 43,463,442 a year ago. The average price of copper on the London market in January was 10.174 cents per pound, at which price the month's output was worth $4,909,722.

Canada's January output of nickel amounted to 14,611,017 pounds compared with 16,618,010 in the previous month and 20,270,680 in January, 1938.

Cost of Living in 1938

The Canadian cost of living index number for December, 1938, was 1.1 per cent below the level of the corresponding month of 1937. This moderate recession was the first break in an upward movement dating from 1933, and compared with a decrease in general wholesale prices of more than 11 per cent. The cost of living index during 1938 was highest in August at 84.8 and lowest for December at 83.5. Easier prices for foods and declines of lesser importance in clothing and miscellaneous items were responsible for the downturn. Rentals recorded a moderate advance while fuel prices in general were fractionally higher.

Canada's Place in the British Market
With Certain Leading Commodities in 1938

The external trade of the United Kingdom in 1938 recorded a decline from the level of 1937 but was somewhat in advance of 1936. The aggregate last year was £1,452,929,000 compared with £1,624,350,000 in 1937 and £1,349,126,000 in 1936, according to British Board of Trade figures.

United Kingdom imports in 1938 totalled £920,437,586 as against £1,027,824,428 in 1937 and £847,751,866 in 1936. Exports of domestic produce were valued at £470,883,489 against £521,391,494 in 1937 and £440,604,879 in 1936. Re-exports totalled £61,607,985 in 1938 against £75,133,671 the year before and £60,768,859 two years ago.

Canada was in third position in trade with the United Kingdom, the total being £102,135,532 compared with £117,657,317 in 1937. United Kingdom imports from Canada totalled £78,564,459 against £88,847,634, domestic exports to Canada £22,532,312 against £27,551,343 and re-exported commodities £1,038,761 compared with £1,258,340.

The United States stood in first place as a trader with the United Kingdom, the aggregate being £146,655,443 compared with £156,440,878 in 1937. Imports from the United States were valued at £117,887,334 compared with £114,105,372, domestic exports £20,483,560 against £31,418,907 and re-exports £8,284,549 against £10,916,599.

Australia was in second position in United Kingdom trade, the value being £111,078,115 compared with £110,007,342 in 1937. Imports were worth £72,120,643 compared with £71,732,272, exports £38,177,962 against £37,519,765 and re-exports £779,510 against £755,305.

Australia replaced Canada as the leading supplier of wheat in the United Kingdom market during 1938, Australia's contribution totalling 31,005,730 cwt. and Canada's, 28,853,371; the United States was third with 15,789,880 cwt., Soviet Union next with 9,537,670 and Argentina with 5,810,656. Canada was first in 1937 with a total of 34,257,186 cwt., Australia second with 22,388,923, Soviet Union third with 8,123,387, British India 6,273,617, United States 3,491,927 and Roumania 2,272,488.

Canada was first in the British market in 1938 with barley, supplying 5,478,383 cwt., Soviet Union second with 3,763,460, Iraq third with 3,101,348, and United States fourth with 2,712,157. Canada was second in 1937, Iraq being first.

Canada retained first place in oats, accounting for the bulk of the United Kingdom imports of 1,572,797 cwt.

Canada continued to be the chief supplier of wheat meal and flour with a total of 3,653,485 cwt., Australia being second with 2,930,994 cwt. In 1937 Canada contributed 4,043,848 cwt. and Australia 3,313,587.

Canada was second to Eire in the British market with animals for food purposes, Eire supplying 620,230 head and Canada 26,450.

Canada remained in second place with bacon, contributing 1,275,573 cwt., Denmark being first with 3,389,192 cwt. Eire was third with 536,764 cwt. and Netherlands fourth with 514,438.

Canada was second with ham, the United States being in first place. Canada's contribution totalled 232,083 cwt. and United States' 395,261. Canada was first in 1937.

Canada was second with cheese in the British market in 1938, consignments totalling 678,130 cwt. New Zealand was first with 1,639,486 cwt.

Canada was first with unsweetened condensed milk with a total of 179,288 cwt. Netherlands was second with 51,710 cwt.

Canada held a premier position in the British apple market with a total of 3,022,965 cwt., the United States being second with 1,568,070 cwt. and Australia third with 1,502,884.

Although Canada's contribution of fresh pears was comparatively small at 50,328 cwt. a considerable gain was recorded over 1937 when Canada's share was 27,808 cwt. The United States held the lead in this item with a total of 791,986 cwt.

Canada was fourth in the British market with canned salmon, supplying a total of 155,684 cwt., Japan being first with 395,180 cwt., Soviet Union second with 300,608 and United States third at 299,628.

Canada supplied practically all of the canned lobsters imported into the United Kingdom during the year, the total being 21,524 cwt.

Canada was third with unstripped unmanufactured tobacco, contributing 15,541,348 cwt. The United States was first with 215,828,170 cwt. and Southern Rhodesia second with 16,687,906 cwt. Canada's 1938 shipments were about double those of 1937.

Canada was third with soft wood and timber, consignments totalling 290,608 standards, Finland being first with 361,748 standards, Soviet Union second with 343,753 and Sweden fourth with 218,361.

Canada was second in undressed hides and skins with a total value of £1,948,054, Soviet Union being first with £3,295,262, United States third with £1,782,663 and Afghanistan fourth at £1,658,878.

Canada was sixth with paper-making materials, the value being £500,912. Finland was first with £5,441,292, Sweden second with £5,032,449, Norway third with £2,216,056, Algeria fourth at £734,734, Tunis fifth at £593,146.

Canada was sixth in iron and steel and manufactures thereof with a value of £1,196,912, being preceded by Belgium with £2,638,479, United States with £2,140,718, France with £1,983,904, Sweden £1,987,678, and Germany £1,637,176.

Canada was first with aluminium and aluminium alloys with 608,285 cwt., followed by Switzerland with 190,915 cwt. and Norway with 106,967 cwt. These were in pigs and ingots.

Canada was first with electrolytic copper with a total of 95,488 tons, followed by Chile with 46,111, United States with 36,858 and Northern Rhodesia 16,231. Total import during 1938 was 196,964 tons.

The United Kingdom got most of her copper in rods and sections, angles and shapes, etc. from Canada, the total being 340,169 cwt., of which Canada supplied 339,166 cwt.

Canada retained second place in the British market with lead in pigs, ingots, blocks, etc., with a total of 107,655 tons. Australia was first with 187,847 tons, British India third with 61,576 and Mexico fourth with 41,489.

Canada was first in nickel in ingots, cathodes, etc. with a total of 368,151 cwt. Total imports were 411,269 cwt.

Canada was also first in zinc with a total of 88,622 tons, followed by Belgium with 36,577 tons and Australia with 15,628. These were in pigs and ingots.

Taking the non-ferrous metals and manufactures thereof as a group, Canada was well out in front with a total value of £14,803,567, Chile being second with £5,336,414, Northern Rhodesia £3,863,444, Australia £3,386,986, United States £2,634,894, Germany £1,453,507, Switzerland £1,241,969.

Although Canada was well behind the United States and Germany in supplying the United Kingdom market with machinery the value was considerable, totalling £1,407,574, taking third place. The United States was first with £9,708,784 and Germany second with £5,631,458.

Canada was second in manufactures of wood and timber with a value of £959,556, Finland being in first place with £1,575,406, United States third with £492,463 and Sweden fourth with £434,974.

Canada was first in the United Kingdom market with footwear, supplying to the value of £818,588, Czechoslovakia being second with £602,651, Switzerland third with £370,666 and Hong Kong fourth with £326,055.

Canada was second in the British market in paper, cardboard, etc., the value being £2,318,631, Sweden being first with £2,846,802, Finland third with £2,154,889, Newfoundland fourth with £1,537,510 and Netherlands fifth with £1,533,720.

Leather Industry in Canada

The first record of the tanning industry in this country relates to two plants, one at Quebec and the other at Montreal, which were established at the instigation of the Intendant, Talon (1665-1672). Before Talon departed for France in 1672 he wrote to Louis XIV as follows: "I have this year caused to be manufactured out of the wool shorn from the sheep sent by Your Majesty, several kinds of cloth; our tanneries supply one-third of the leather required here, and at present I have Canadian fabrics to dress myself from head to foot."

Tanning is now one of the chief manufacturing industries of the Dominion. The annual output supplies almost the entire requirements of the leather using industries of Canada and it takes care also of a considerable export trade. The value of the output of the tanneries has increased steadily during the past five years and reached in 1937 a total of $26,269,794. The number of employees in 1937 was the highest recorded for any year since annual statistics were first established in 1917.

The greater part of the industry is concentrated in Ontario where the value of the output in 1937 represents 88 per cent of the total for all plants. Quebec's output represents 10 per cent and that of the remaining provinces combined, two per cent.

The principal items of production in 1937 were the following: under the head of sole leather -- oak tanned sides worth $6,975,906; and under the head of upper leather -- cattle and horse hides valued at $4,708,763, calf skins $3,790,315; and patent and enamelled shoe leather $2,213,975.

Flour and Feed Milling Industries

A substantial improvement was recorded in 1937 in the value of the products turned out by Canada's flour and feed mills, despite the fact that fewer mills were reported in operation. The total value of all products was $133,634,179, of which wheat flour was accountable for $80,597,091. Next in order was chopped grain feed with a value of $23,700,986, followed by shorts and middlings to the extent of $7,925,147, rolled oats $5,878,848, and bran next with $5,404,959. The value of all products in 1936 was $114,617,099.

This industry, which has existed to meet the domestic needs for more than 300 years, is one of the Dominion's oldest manufactures, but it is only within recent times that its progress has become spectacular. The War and the demand it created gave a great impetus to this trade. The 335 flour mills, many of them of the most modern type and highest efficiency, have a capacity far in excess of Canada's demands.

During 1928 productive capacity reached about 121,000 barrels per day. Since then the industry has been adversely affected by the difficulties which beset the Canadian grain trade and the great decline in the prices of grains. Exports of wheat flour declined from 10,737,266 barrels in 1928 to 4,087,011 barrels in 1937, but in spite of the decrease, Canada continues to be one of the leading exporters of wheat flour.

Cotton Textile Industries

The gross value of the products made in 1937 by firms included in the cotton textile industries of Canada considerably exceeded that of any year since 1929, the value being $83,360,521 compared with $75,413,189 in 1936 and $90,079,956 in 1929.

Fabrics, chiefly of cotton and cotton mixtures, comprised the principal output of this industry. Their value in 1937 was $49,884,506 compared with $45,761,775 in 1936. The all cotton fabrics produced had a value of $38,949,439 in 1937 and $36,510,625 in 1936. Grey cotton was valued at $17,178,077 compared with $15,841,477.

Yarns spun for sale in 1937 had a valuation of $11,506,681 compared with $10,202,802 in 1936. Cotton thread produced was valued at $3,692,629 compared with $3,291,147 in 1936. Other important items were: tire fabrics, blankets, towels, etc.

Iron and Steel and Their Products

Production of iron and steel and their manufactures in Canada during 1937 amounted to $624,819,877 at factory prices. This value was 37.8 per cent above the corresponding total for 1936 and exceeded the value reported for any year since 1929. Substantial increases were recorded for each of the individual industries with the exception of the miscellaneous group.

Canada's imports of iron and steel products were valued at $211,002,837 in 1937, an increase of 56 per cent over the previous year. Exports and re-exports amounted to $68,249,994 or 26 per cent more than in 1936.

Chemicals and Allied Products

Final figures indicate that the production of chemicals and allied products in 1937 totalled in value $148,973,220, or 17 per cent in advance of 1936. This year's total was the highest on record, being 7.5 per cent above the former high of $138,545,281 established in 1929. The advance over the latter year is even more impressive when consideration is given to the decline in prices, amounting to 14.7 per cent, which has occurred in the interval. By allowing for this factor, and thus placing the comparison on a volume basis, the calculation shows that the 1937 output was actually 26 per cent greater than in 1929.

Reports Issued Today

1. The Grain Situation in Argentina (10 cents).
2. The Miscellaneous Iron and Steel Industry, 1937 (15 cents).
3. Chemicals and Allied Products, 1937 (10 cents).
4. Manufactures of the Non-Metallic Minerals, 1937 (10 cents).
5. Iron and Steel and Their Products, 1937 (10 cents).
6. Manufactures of the Non-Ferrous Metals, 1937 (10 cents).
7. The Flour and Feed Milling Industries, 1937 (25 cents).
8. Summary of Exports of Canadian Grains and Flour, February (10 cents).
9. The Leather Industry in Canada, 1937 (25 cents).
10. Summary of Cold Storage Reports, 1938 (25 cents).
11. Security Prices and Foreign Exchange (10 cents).
12. Weekly Index Numbers of Wholesale Prices (10 cents).
13. Department Store Sales, February (10 cents).
14. Copper and Nickel Production, January (10 cents).
15. Price Movements in 1938 (25 cents).
16. Cotton Textile Industries, 1937 (35 cents).
17. The Electrical Apparatus and Supplies Industry, 1937 (25 cents).
18. The Hardware, Tools and Cutlery Industry, 1937 (10 cents).
19. Canadian Grain Statistics (10 cents).
20. The Miscellaneous Non-Metallic Minerals in Canada, 1937 (15 cents).
21. Cold Storage Holdings of Meat and Lard, March 1 (10 cents).
22. Storage Holdings of Fish, March 1 (10 cents).
23. Stocks of Dairy and Poultry Products, March 1 (10 cents).
24. Stocks of Canadian Fruit and Vegetables, March 1 (10 cents).
25. Car Loadings on Canadian Railways (10 cents).
