WEEKLY BULLETIN

Dominion Bureau of Statistics

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Weekly Review of Economic Conditions

Prominent factors indicating the trend of economic conditions averaged lower in the fourth week of March compared with the previous week, but maintained the level recorded in the similar period of 1938. Wholesale prices alone of the six indicators showed an advance from the preceding week. Increases in capitalized bond yields, bank clearings and common stock prices were noted over the same period one year ago.

Following the recession of the previous week, a more buoyant tone developed on the commodity market and the weekly index of wholesale prices showed a minor advance from 73.1 to 73.2, as strength in vegetable products and non-ferrous metals outweighed declines in animal products, textiles, wood, non-metallic minerals and chemicals. The price index of Canadian farm products rose from 65.0 to 65.3. Wheat No. 1 Northern was stronger on the Winnipeg exchange, advancing nearly one cent on the week to 59 3/8. Other grains were proportionately stronger, but rye eased one-eighth to 38 3/8. Cattle steers at Toronto advanced to 6.71 per cwt., the highest price of the current year. Bacon hogs were also stronger, gaining 34 cents in the week. Cotton prices were off slightly, but there was the prospect that prices would strengthen in the face of a moderate subsidy by the United States Government proposed on all cotton exports. Metal prices at London showed a mixed trend on the 28th compared with one week previous. Copper standard, lead and zinc showed recession, while electrolytic copper and tin were stronger. At New York export copper and tin advanced on the week while the other metals were well maintained.

Carloadings in the eleventh week of the year dropped to 40,428 cars from 41,764 cars in the previous week and 44,751 cars for the corresponding week of 1938. Declines were noted in both Eastern and Western divisions after seasonal adjustment. For the first eleven weeks grain was heavier than in 1938 by nearly 20 per cent or 7,263 cars. Coke, lumber, pulp and paper were the only other groups of the commodity classification to show advance over the same weeks of 1938. The net result shows a decline of 55,655 cars as compared with the first eleven weeks of last year.

The downward movement of Canadian common stock prices was accelerated during the week ended March 23rd and was accompanied by heavy liquidation. This decline reflected weakness at New York and on the principal markets abroad, and coincided with a revival of European tension. All sections of the composite index were involved in the decline, the index dropping from 107.5 to 101.0. The heaviest losses occurred in machinery and equipment, building materials, oils, and industrial mines. On the mining market the pressure engendered by European unsettlement forced another wave of selling. The price index of 25 mining issues dropped from 159.4 for the week of March 16th to 150.8, while the golds declined nearly seven points to 115.0 and the base metals fifteen points to 299.5. Rallying tendencies, however, were in evidence towards the close of the week.

Nervousness was again apparent on the bond and security markets as Hitler annexed Memel. High-grade bonds moved sharply lower and the index of capitalized bond yields lost 1.6 p.c., declining to 162.6. Despite the numerous international incidents of the past few months, Dominion bonds have showed marked resilience, and levels in the last few months remained close to the high for the past two years. The average yield of the issues used in the Dominion index increased from 2.94 to 2.99 during the week. British Consols and high-grade United States bonds also moved into lower territory. On the foreign exchange markets the steady support by exchange controls held spot quotations for leading foreign currencies within a narrow range during the week ended March 23rd. Had it not been for these controls the substantial amounts of capital which have been shifted from European to North American repositories undoubtedly would have had a strong tendency to raise dollar quotations, adversely affecting the purchasing power of European nations in terms of American and Canadian trade. The premium on United States funds at Montreal was slightly easier, the closing premium being thirteen thirty-seconds compared with one-half of one per cent on March 16th.

The weekly index based on the six factors declined 2.9 per cent in the week of March 25th, the standing being 106.3 compared with 109.5. The index for the similar week of 1938 was also at 106.3.

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]
March 26, 1938	74.5	83.0	152.2	86.8	99.4	179.9	106.3
March 18, 1939	70.7	73.1	165.3	98.4	107.5	160.8	109.5
March 25, 1939	67.3	73.2	162.6	91.9	101.0	143.6	106.3

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.

Business Conditions in February

Business operations were slightly less active in February than in the preceding month, the index of the physical volume of business declining from 113.0 to 111.7. Five of the nine factors indicative of operations in the mineral industry averaged higher in February after seasonal adjustment, the mining index advancing fourteen points to 190.9. Manufacturing was less active during the month with recession in such items as inspected slaughterings, creamery butter, tobacco, rubber imports, iron and steel, coke production, and crude petroleum imports. The output of electric power was maintained, while the import and export record was less encouraging compared with January after seasonal adjustment.

March Employment Situation

Little general change in industrial employment was indicated at the beginning of March, improvement in manufacturing being largely offset by shrinkage in some of the non-manufacturing industries, notably logging, for which the active season in many districts is drawing to a close. The 11,309 reporting employers throughout Canada had 1,027,846 persons on their payrolls at the beginning of March compared with 1,027,619 on February 1. The 10,416 employers who reported in March last year had a payroll totalling 1,027,992 persons.

Moderate improvement was reported in manufacturing at March 1; the advance was smaller than the average in the years since 1920, but largely exceeded the gain indicated by the establishments furnishing data for the beginning of March of last winter. The most pronounced increases from February 1 were in leather, lumber and textile factories. Among the non-manufacturing industries, mining, transportation and highway and railway construction and maintenance showed heightened activity; the additions to staffs in the last-named resulted, in the main, from heavy snow falls. On the other hand logging reported large seasonal declines; communications, building construction and services showed moderate decline, while trade was decidedly slacker, the curtailment being seasonal in character.

On the whole, there was an increase in industrial activity in the Maritime Provinces, the 812 reporting employers enlarging their staffs from 73,913 at February 1 to 74,366. Quebec showed a slight decrease, the 2,826 firms employing 320,154 persons compared with 320,714. A slackening was noted in Ontario where 4,918 co-operating employers had 428,734 persons at work compared with 429,228.

There was a moderate increase recorded in employment in Manitoba and Saskatchewan, but in Alberta slight curtailment was shown; on the whole, industrial activity in the Prairie Provinces gained slightly, 1,632 establishments employing 121,539 persons compared with 121,150 at February 1. The working forces of 1,121 British Columbia firms aggregated 83,053 persons compared with 82,614.

Canada's February Imports

Canada's February imports were valued at $40,380,234 compared with $46,951,619 in the corresponding month last year. The United States was the leading contributor with a total of $27,016,170 compared with $31,185,758, the United Kingdom being in second place with $7,230,343 compared with $8,791,986 a year ago. Purchases from Germany totalled $600,393 in comparison with $569,277.

Other leading ctontributors follow, with figures for February 1938 in brackets: British India, $474,628 ($615,898); Straits Settlements, $453,177 ($480,788); Belgium, $444,112 ($496,530); Australia, $351,645 ($387,564); New Zealand, $311,973 ($514,104); Colombia, $283,041 ($40,467); China, $211,925 ($186,282); France, $299,800 ($401,194); Japan, $257,138 ($275,544).

Some of the chief commodities imported during the month were as follows, 1938 figures being in brackets: coal, $2,726,000 ($2,671,000); machinery, $2,639,000 ($3,317,000); wool, $2,458,000 ($2,701,000); cotton, $2,049,000 ($2,617,000); auto parts, $1,559,000 ($2,077,000); crude petroleum, $1,470,000 ($1,273,000); books and printed matter, $1,162,000 ($1,141,000); fruits, $1,057,000 ($984,000); furs, $879,000 ($849,000); automobiles, $789,000 ($716,000); rubber, $736,000 ($461,000); electric apparatus, $724,000 ($988,000); farm implements, $605,000 ($1,494,000).

Export of Newsprint Paper

February exports of newsprint paper although lower than in the previous month showed improvement over the corresponding month last year, the total being 3,048,730 cwt. valued at $6,533,514 compared with 3,872,489 at $8,290,258 in January and 2,794,689 worth $5,964,499 a year ago. The United States took 2,707,998 cwt., the United Kingdom 124,964, Australia 97,524, New Zealand 42,188, British South Africa 21,579 and Ireland 20,151. Total exports during the 11 months ended February were 45,154,864 cwt. worth $97,972,150 compared with 59,741,216 at $111,322,213 in the corresponding period of the previous fiscal year.

Exports of wood pulp and screenings in February amounted to 728,924 cwt. valued at $1,781,886 compared with 941,245 at $2,227,779 in January and 881,021 at $2,390,320 in February, 1938. The United States took the bulk. The total during the 11 months ended February was 10,107,032 cwt. valued at $24,300,809 compared with 14,729,347 at $37,060,727 a year ago.

February Export of Planks and Boards

Although recording a drop from the previous month, the February export of planks and boards was higher than in the corresponding month last year, the total being 124,056,000 feet compared with 156,211,000 in January and 117,734,000 a year ago. The United States and the United Kingdom were the chief purchasers. Exports of planks and boards during the 11 months ended February totalled 1,573,375,000 feet compared with 1,658,394,000 in the corresponding period of the previous fiscal year.

Exports of Butter and Cheese

A sharp advance was recorded in Canada's February export of butter, the total being 24,200 cwt. valued at $526,803 compared with 13,622 at $275,350 in January and 271 at $9,049 in February, 1938. The United Kingdom took 23,584 cwt. Exports during the 11 months ended February recorded substantial improvement, totalling 75,388 cwt. worth $1,630,345 compared with 41,092 at $1,154,496 a year ago.

February exports of cheese totalled 8,945 cwt. appraised at $132,718 compared with 13,293 at $188,381 in January and 4,200 at $71,465 in February, 1938. Purchases by the United Kingdom were 5,369 cwt. and by the United States, 1,917. Exports during the 11 months ended February totalled 815,799 cwt. compared with 870,892 in the corresponding period of the previous fiscal year.

Exports of Fine Nickel

Exports of fine nickel in February were valued at $2,934,780 in comparison with $3,416,673 in the previous month and $3,873,303 in the corresponding month last year. The value of the export to the United States was $1,727,478, the United Kingdom $610,196 and Japan $595,218. The total during the 11 months ended February was $28,975,841 compared with $40,499,704 in the corresponding period last year.

Wheat Stocks in Store

The visible supply of Canadian wheat during the week ended March 24 totalled 142,251,112 bushels compared with 142,747,668 in the previous week and 44,814,360 in the corresponding week last year. The amount of Canadian wheat in the United States was recorded at 2,567,000 bushels compared with 3,101,000 the week before and 1,235,185 a year ago.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces for the week ending March 24 amounted to 1,137,994 bushels compared with 1,275,403 in the previous week and 742,325 in the corresponding week last year. The total during the thirty-four weeks ended March 25 was 266,171,645 bushels compared with 110,613,901 in the corresponding period of the previous crop year.

Overseas Export Clearances of Wheat

Overseas export clearances of wheat during the week ended March 24 amounted to 725,986 bushels compared with 1,033,569 in the corresponding week last year, while imports into the United States for consumption and milling in bond for re-export totalled 252,000 bushels compared with 3,000. During the period August 1 - March 24 clearances aggregated 89,404,904 bushels compared with 55,991,327 in the same period last year, while imports into the United States totalled 6,113,915 bushels against 1,997,361.

World Wheat Situation

The most recent political developments in Europe, involving German annexation of the greater part of Czechoslovakia, introduced renewed tenseness in wheat markets, following a period of several days when prices had been working downward. The declining trend in Liverpool c.i.f. prices which had developed in February continued up to March 17, when the European developments stiffened export offers. The greater part of the losses in futures prices was recovered between March 17 and March 20. Since then price changes have been indecisive.

With the German annexation of almost the whole of Czechoslovakia, apart from other resources which now become available to Germany, the wheat areas involved are just about sufficient to provide for the consumption requirements of the Czechoslovakian population. Thus Germany's net domestic wheat position has not been bettered by this acquisition. On the other hand Germany's recent trade overtures to Roumania if successfully concluded would give Germany, among other things, sole access to Roumania's wheat surplus. Roumanian wheat and flour exports have averaged only 11 million bushels annually in the 16-year period from 1922-23 to 1937-38. However, in the past two crop years Roumanian net exports have ranged from 32 to 38 million bushels, and may exceed the latter figure in the present crop year. Continued availability of surpluses of this size, accessible solely to Germany, would render the greater German-Roumanian area practically self-sufficient in wheat production. However, at this point it remains highly uncertain that Germany will be able to obtain an exclusive trade treaty with Roumania.

Meanwhile, wheat is moving through the ordinary trade channels quietly and world shipments are being maintained in line with the more recently estimated levels. The Canadian weekly export movement, while seasonally light, is being well maintained. Continued Chinese purchases of both wheat and flour from Australia have featured the past month, and this extra non-European demand is helping to ease the burden upon Liverpool. Weekly world shipments of wheat and flour have averaged approximately 11 million bushels within the past four weeks, and Canadian weekly export clearances of wheat and flour have averaged slightly in excess of two million bushels.

On March 17, the United States Department of Agriculture announced the intended plantings of spring wheat in 1939 at 19,505,000 acres, representing a reduction of 17.1 per cent from the spring wheat area sown last year. The percentage reduction in the spring wheat area is approximately as great as that which occurred in the winter wheat area for harvest in 1939, whereas it was expected in some quarters that the smaller winter wheat area in addition to poor December 1 conditions would serve to discourage reductions in the spring wheat areas. Altogether the total sown wheat area in the United States is presently placed at 65,678,000 acres compared with 79,870,000 acres sown fro harvest in 1938.

Production of Coal and Coke

Canada produced 1,290,383 tons of coal in February compared with 1,178,360 in the preceding month and 1,404,730 in February, 1938. The five-year average for the month stands at 1,242,325 tons. Bituminous output in February amounted to 773,174 tons, sub-bituminous 50,150 tons and lignite 467,459 tons.

Imports of coal in February totalled 430,806 tons compared with 467,479 in January and 440,958 in the corresponding month last year. Exports of Canadian coal during the month amounted to 29,272 tons compared with 40,036 in January and 32,667 in February, 1938.

Coal made available for consumption in Canada was computed at 1,691,917 tons in February compared with a supply of 1,605,603 in January and 1,813,021 in the corresponding month last year.

February production of coke amounted to 176,537 tons compared with 202,428 in the previous month and 199,340 in February, 1938. The February output included 10,360 tons of breeze, of which 4,194 tons were sold.

Shipments of Feldspar

Shipments of feldspar by Canadian producers in January were recorded at 762 tons compared with 916 in the previous month and 1,341 in the corresponding month last year.

Sales of Commercial Salt

Sales of commercial salt by Canadian producers were 20.1 per cent lower in January than in the previous month, totalling 10,535 tons compared with 13,193. In the corresponding month last year sales totalled 11,575 tons.

Shipments of Portland Cement

January shipments of Portland cement by producers in Canada amounted to 115,533 barrels compared with 174,848 in the previous month and 132,263 in the corresponding month last year.

Shipments of Lime

Shipments of lime from Canadian kilns in January totalled 35,809 tons compared with 37,042 in the previous month and 32,633 in the corresponding month last year.

January Production of Silver

A decline was recorded in Canada's January production of silver, the total being 1,532,922 ounces compared with 1,681,078 in the previous month and 1,571,052 in the corresponding month last year. Quotations for silver in January averaged 43.087 cents per ounce, at which price the month's output was valued at $660,490 compared with $725,318 in the previous month.

Output of Lead in January

The Canadian output of lead in January totalled 32,106,252 pounds compared with 30,665,627 in the previous month and 37,522,125 in the corresponding month last year. Quotations averaged 3.042 cents per pound in January, at which price the month's output was worth $976,672 against $972,407 in the previous month.

January Production of Zinc

Canada produced 30,639,464 pounds of zinc in January compared with 31,932,095 in December and 34,865,607 in the corresponding month last year. Prices for zinc averaged 2.865 cents per pound in January; based on this price the month's output was worth $877,821 compared with $918,686 in the previous month.

Leading Mineral Products in January

The January output of sixteen of Canada's leading mineral products was as follows, with figures for the corresponding month last year in brackets: asbestos, 18,780 (16,845) tons; cement, 115,533 (132,263) barrels; clay products, $158,028 ($145,451); coal, 1,178,360 (1,467,355) tons; copper, 48,257,536 (52,454,135) pounds; feldspar, 762 (1,341) tons; gold, 411,328 (361,086) fine ounces; gypsum, 18,463 (6,159) tons; lead, 32,106,252 (37,522,125) pounds; lime, 35,809 (32,633) tons; natural gas, 4,118,179,000 (4,025,936,000) cubic feet; nickel, 14,611,017 (20,270,680) pounds; petroleum, 531,564 (457,408) barrels; commercial salt, 10,535 (11,575) tons; silver, 1,532,922 (1,571,052) fine ounces; zinc, 30,639,464 (34,865,607) pounds.

Bank Debits in February

The dollar volume of business transacted through the chartered banks as measured by the amount of cheques cashed aggregated $2,050,004,000 in February compared with $2,511,882,000 in January and $2,175,995,000 in February last year. The totals follow by economic areas, with figures for February 1938 in brackets: Maritime Provinces, $42,820,000 ($44,956,000); Quebec, $669,292,000 ($679,194,000); Ontario, $930,135,000 ($1,080,144,000); Prairie Provinces, $258,152,000 ($233,204,000); British Columbia, $2,050,004,000 ($2,175,995,000).

Sales of New Motor Vehicles

Sales in February of new motor vehicles recorded decline, totalling 5,688 units retailing for $6,319,722 compared with 5,930 at $6,616,269 in January and 7,061 for $7,838,874 in February, 1938. The number of passenger cars sold was 4,515 for a total of $4,838,853 compared with 4,791 for $5,205,282 in the previous month and 5,582 for $6,143,591 a year ago. Truck and bus sales were recorded at 1,173 units for $1,480,869 compared with 1,139 for $1,410,987 in January and 1,479 for $1,695,283 in February, 1938.

Reports Issued During the Week

1. The Sheet Metal Products Industry, 1937 (10 cents).
2. Silver, Lead and Zinc Production, January (10 cents).
3. Cement, Clay Products and Lime, January (10 cents).
4. Feldspar and Salt Production, January, (10 cents).
5. Canada's Leading Mineral Products, January (10 cents).
6. Coal and Coke Statistics, February (10 cents).
7. Canadian Grain Statistics (10 cents).
8. The Hosiery, Knitted Goods and Fabric Glove and Mitten Industries, 1937 (25 cents).
9. Car Loadings on Canadian Railways (10 cents).
10. Monthly Review of the Wheat Situation (10 cents).
11. Exports of Canadian Animals, Living, February (10 cents).
12. Exports of Non-Ferrous Ores and Smelter Products, February (10 cents).
13. Imports of Milk and Its Products and Eggs, February (10 cents).
14. Exports of Milk, Milk Products and Eggs, February (10 cents).
15. Exports of Canadian Lumber, February (10 cents).
16. Exports of Petroleum and Its Products, February (10 cents).
17. Exports of Pulp Wood, Wood Pulp and Paper, February (10 cents).
18. Security Prices and Foreign Exchange (10 cents).
19. Family Living Expenditures in Halifax (10 cents).
20. Family Living Expenditures in St. John (10 cents).
21. Family Living Expenditures in Charlottetown (10 cents).
22. Family iving Expenditures in Quebec City (10 cents).
23. Family Living Expenditures in Montreal (10 cents).
24. Family Living Expenditures in London (10 cents).
25. Family Living Expenditures in Toronto (10 cents).
26. Family Living Expenditures in Ottawa (10 cents).
27. Family Living Expenditures in Saskatoon (10 cents).
28. Family Living Expenditures in Edmonton (10 cents).
29. Family Living Expenditures in Winnipeg (10 cents).
30. Family Living Expenditures in Vancouver (10 cents).
31. March Employment Situation (10 cents).
32. Weekly Index Numbers of Wholesale Prices (10 cents).
33. Automobile Parts Industry, 1937 (15 cents).
34. Financing of Motor Vehicle Sales, February (10 cents).
35. Sales of New Motor Vehicles, February (10 cents).
36. Bank Debits to Individual Accounts, February (10 cents).
37. Domestic Exports to Principal Countries, February (10 cents).
38. Summary of Imports, February (10 cents).
