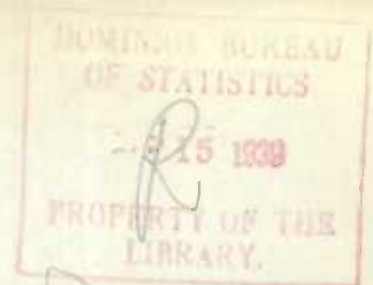


WEEKLY BULLETIN

Dominion Bureau of Statistics
Department of Trade and Commerce



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Weekly Review of Economic Conditions

The significant factors indicating the trend of economic conditions averaged slightly better during the week of April 8th than in the preceding week. Three of the six factors recorded advances, while the only serious decline was registered in common stock prices. Wholesale prices were practically maintained.

Four of the six factors used in the index showed appreciation over the same week of 1938, the only appreciable decline being in wholesale prices, which now rule 12 per cent below the level of one year ago.

Carloadings in the thirteenth week increased to 44,692 cars from 44,132 cars in the previous week and 42,475 cars for the corresponding period of last year. Merchandise and miscellaneous commodities showed substantial increases over the previous week's loadings, and grain and coal were the only commodities to register significant declines. The weekly index of carloadings was up from 73.5 to 76.1 on the week with advances in both Eastern and Western divisions, the gain in the index for the Eastern division having been over $4\frac{1}{2}$ per cent. Comparison with the first thirteen weeks of last year shows a decline of over 52,000 cars, largely due to smaller loadings of miscellaneous, pulpwood, coal and L.C.L. merchandise. On the other hand, loadings of grain and grain products are 12,816 cars greater than in the similar period of 1938.

The general index of wholesale prices remained sluggish, no perceptible trend having developed either in an upward or downward direction in the past seven months, the index during this period being confined within the narrow limits of 73.0 and 75.0. The fixed price for wheat has undoubtedly had a stabilizing effect on the general index. During the week vegetable products and wood of the component material classification moved into higher territory, but animal products and non-ferrous metals declined. Chief among the commodities to exhibit strength were raw sugar, potatoes and B.C. fir and cedar, while recessions occurred in grains, livestock, meats, raw wool and copper. Wheat No. 1 Northern was unchanged on the Winnipeg exchange. Oats and flax showed minor declines, while barley and rye were firmer. Bacon hogs at Toronto dropped from \$9.10 per cwt. to \$8.61 on the week.

Metal prices at London declined in the face of further European unsettlement and practically all prices opened lower after the Easter recess. Copper Standard dropped from £42 11s 3d on the 4th to £41 16s 3d on the 11th. Tin was down £1 at £214 and lead was also weaker. Zinc was a little stronger at £13 3s 9d compared with £13 on the 4th. At New York copper prices were softer, electrolytic being quoted within narrow range at 10.75 cents, while export copper declined from 10.30 cents to 10.19 cents during the week. Tin and lead retreated in the face of weakened demand, while zinc remained firm.

The Bureau's index of prices of industrial materials declined from 64.7 to 64.1 during the week and manufacturers' materials were also sharply lower, moving from 51.3 to 50.5.

Security markets again responded to ominous developments on the European political stage, when the index of long-term bond prices declined from 117.6 for the week ended March 30th to 117.4. Following the announcement of Anglo-French guarantees to Poland values dipped sharply, but subsequently recovered most of the ground lost. The average yield of the issues used in the official index advanced from 2.98 to 3.00. The $4\frac{1}{2}$'s of 1947-57 declined from 110 $\frac{3}{4}$ to 110 $\frac{1}{4}$, while the 3's of 1950-55 and the $4\frac{1}{2}$'s of 1946 registered similar recession. The 4's of 1947-52 lost half a point on the week to 107 $\frac{1}{2}$. Leading foreign currencies indicated fractional declines in terms of the Canadian dollar during the week ended April 6th.

Canadian common stock prices continued irregularly downward during the week, confirming the decline which has been under way since the middle of March, the weekly index at 98.0 dropping below the hundred line for the first time since October, 1938. All groups of the industrial classification showed recessions ranging from 15 points for industrial mines to less than a point for food and allied products. The utility group was also weaker, the composite index declining from 43.0 to 42.3. Even bank stocks, which are normally confined to narrow limits, lost nearly a point during the week. On the other hand, mining stock prices have suffered sharper declines than those experienced in the industrial and utility groups. They also broke sharply on March 31st, when the general mining stock index touched 142.4. This figure was approximately five points below the January downturn, which followed a sharp break in the third and fourth weeks of the

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present year. Golds and base metals have contributed like proportions to the present recession, which began March 10th.

The weekly index based on the six above mentioned factors at 108.8 recorded a minor advance of 0.6 p.c. from the preceding week's standing at 108.1, due to increases of 3.5 p.c. in both carloadings and bank clearings. The volume of trading on stock markets was also heavier in the face of increased activity due to the added impetus of foreign purchases. Declines were shown in common stock prices, bond yields and wholesale prices. Compared with the same week one year ago, a more favourable showing in carloadings, capitalized bonds, bank clearings and common stocks more than offset considerable decline in wholesale prices. The net result was that the index at 108.8 was still nearly 2 p.c. above the standing in the week of April 9th, 1938, when the index was 106.8.

Weekly Index with the Six Components
1926=100

Week Ended	Car load-ings ¹	Whole-sale Prices	Capitalized Bond Yields ²	Bank Clear-ings ³	Prices of Common Stocks	Shares Traded	Weekly Index ⁴
April 9, 1938	72.9	83.3	154.1	92.9	93.1	169.5	106.8
April 1, 1939	73.5	73.3	162.9	95.1	100.7	122.1	108.1
April 8, 1939	76.1	73.2	161.8	98.2	98.0	168.1	108.8

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.

Primary Movement of Wheat

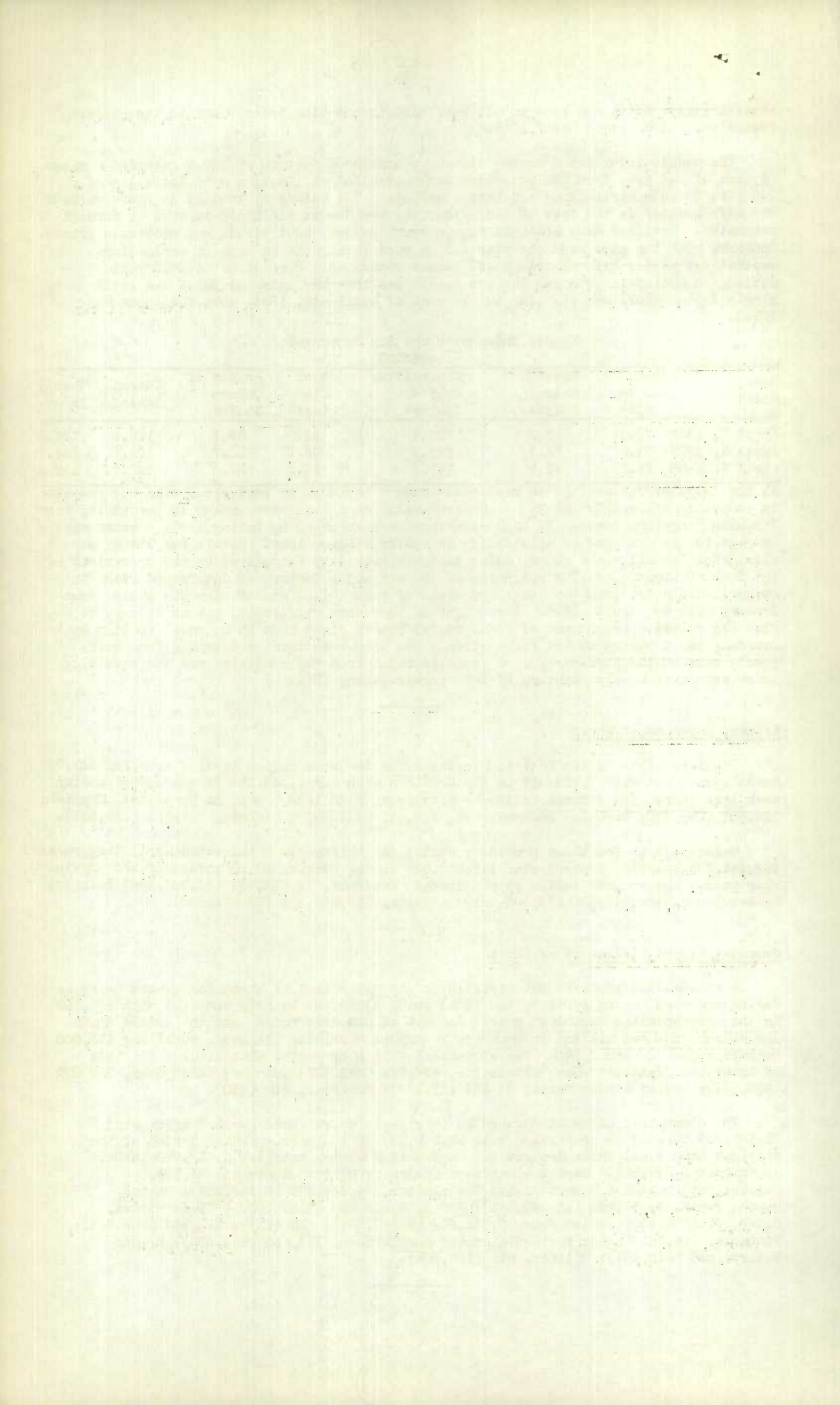
Wheat receipts in the Prairie Provinces for the week ending April 7 totalled 967,996 bushels compared with 1,110,455 in the previous week and 1,140,163 in the corresponding week last year. The figures follow by provinces, with 1938 totals in brackets: Manitoba, 126,501 (393,720) bushels; Saskatchewan, 328,571 (231,632); Alberta, 512,924 (514,811).

Marketings in the three provinces during the thirty-six weeks ended April 7 aggregated 268,265,393 bushels compared with 112,361,029 in the corresponding period of the previous crop year. The amounts follow by provinces: Manitoba, 41,532,424 (34,844,646) bushels; Saskatchewan, 106,845,488 (23,900,228); Alberta, 119,887,481 (53,222,435).

Overseas Export Clearances of Wheat

A substantial increase was recorded in the clearances of wheat for export overseas during the week ending April 7, the total being 1,298,304 bushels compared with 568,103 in the corresponding week last year. Imports of Canadian wheat into the United States for consumption and milling in bond for re-export were also advanced, totalling 145,000 bushels compared with 2,000. The clearances follow by ports, with figures for 1938 in brackets: Vancouver-New Westminster, 872,041 (283,777) bushels; Saint John, 334,079 (258,821); United States Ports, 91,884 (25,265); Montreal, 300 (240).

The clearances of wheat during the thirty-six weeks ended April 7 aggregated 91,569,839 bushels in comparison with 56,946,177 in the corresponding period of the previous crop year, while imports into the United States totalled 6,517,728 bushels as against 2,019,983. Export clearances follow by ports: Montreal, 31,196,863 (22,564,041) bushels; Vancouver-New Westminster, 30,489,372 (8,949,562); United States Ports, 9,997,281 (12,570,741); Sorci, 9,414,308 (2,476,039); Three Rivers, 6,022,221 (420,811); Saint John, 2,865,669 (8,467,597); Churchill, 916,913 (603,982); Victoria, 555,146 (nil); Fort William and Port Arthur, 112,066 (114,375); Prince Rupert, nil (619,061); Halifax, nil (159,968).



Wheat Stocks in Store

The amount of Canadian wheat in store for the week ending April 7 totalled 138,798,422 bushels compared with 140,893,593 in the previous week and 44,444,282 in the corresponding week last year. Wheat in rail transit amounted to 5,749,682 bushels compared with 2,527,446 for the same week a year ago. Canadian wheat in the United States was reported at 1,567,000 bushels compared with 1,829,000 a week ago and 963,900 last year.

World Exports of Barley

World exports of barley in 1937 totalled 110,990,378 bushels compared with 139,481,589 in 1936. Roumania was the largest exporter amongst world countries with a total of 14,565,512 bushels, Mesopotamia following with 13,176,571, Argentina 11,680,152, United States 11,521,232, Canada 10,880,500, Poland 8,836,129, Denmark 6,479,889 and Turkey 5,202,100.

Canada is the leading barley exporting country in the British Empire, although exports have declined from an average of 22,607,260 during the five years ended 1931 to 10,053,473 in the five years ended 1936. Of the foreign countries exporting barley, Roumania still retains first place as the largest, although exports from that country also declined from an average of 43,643,063 bushels for the period 1927-31 to 20,182,365 for the succeeding period.

Argentina was the second largest exporter of barley in the world in the second five-year period and one of the countries that showed increased exports, an average of 10,327,357 bushels for the first five-year period being increased to 17,759,985 in the second. The Union of Soviet Socialist Republics ranked third among the barley exporting countries in both periods. French Morocco, Mesopotamia, Poland and Chile all increased their exports.

World Shipments of Wheat

World shipments of wheat during the thirty-six weeks ended April 8 aggregated 396,397,000 bushels compared with 353,688,000 in the corresponding period of the previous crop year. North American shipments amounted to 170,266,000 bushels compared with 132,408,000, Argentina 54,883,000 against 46,872,000, Australian 67,984,000 against 78,320,000, Danubian 55,176,000 against 44,608,000, Russian 35,648,000 against 37,576,000.

Production of Butter and Cheese

March production of creamery butter amounted to 10,811,083 pounds compared with 8,474,209 in the previous month and 10,161,091 in the corresponding month last year. Production during the first three months of the year totalled 29,083,932 pounds compared with 26,140,661 in the same period last year.

Production of factory cheese in March amounted to 1,534,749 pounds against 1,149,864 the month before and 724,634 in March, 1938. Total output during the first quarter of 1939 was 4,090,543 pounds against 1,961,940 in the corresponding period last year.

Sales and Purchases of Securities Between Canada and Other Countries in February

A substantial inflow of capital to Canada continued to characterize the international trade in securities in February, sales having exceeded purchases by approximately \$9,268,000. Sales totalled \$27,964,000 against \$24,935,000 in February, 1938, while purchases aggregated \$18,796,000 compared with \$20,420,000.

February sales of securities to the United States advanced to \$20,154,555 from \$18,918,429 a year ago, while purchases from that country totalled \$14,210,684 compared with \$15,189,571. Sales to the United Kingdom also showed improvement, the total being \$4,928,421 compared with \$4,105,103, while purchases declined to \$3,785,244 from \$4,060,483.

Department Store Sales

Department store sales in March were less than one per cent lower than in March last year, and compares with a three per cent decline in the first three months of 1939 below the corresponding months of 1938. Unadjusted indexes on the 1930 base as 100 were 66.1 for March, 54.4 for February and 66.5 for March, 1938.

Foreign Controlled Investments in Canada and Canadian Controlled Investments Abroad

Interest and dividend payments by Canadian companies controlled abroad totalled \$155,000,000 in 1937, an amount greater than the total interest payments on the Dominion public debt during the same period. Of this amount, \$93,000,000 was paid to parent companies and individuals in the United States, \$21,000,000 went to Great Britain, and minority shareholders and bondholders in Canada received \$38,000,000. Payments abroad by these companies represent almost one-fifth of all payments out of Canada on current account for purposes other than purchase of commodities in the Canadian balance of international payments statement for 1937. These payments of interest and dividends were made possible by an externally-controlled investment in Canada of \$2,807,000,000, an investment which took root in the 17th century and has grown steadily until it now represents a significant part of the capital invested in all Canadian industry.

In bringing profit to non-Canadian investors, externally-controlled investments have brought advantages to Canadians which far outweigh the losses incurred in dividends and bond interest sent out of the country each year. The rapid industrial development which took place in Canada in the first quarter of this century could not have occurred without large scale financial backing from abroad.

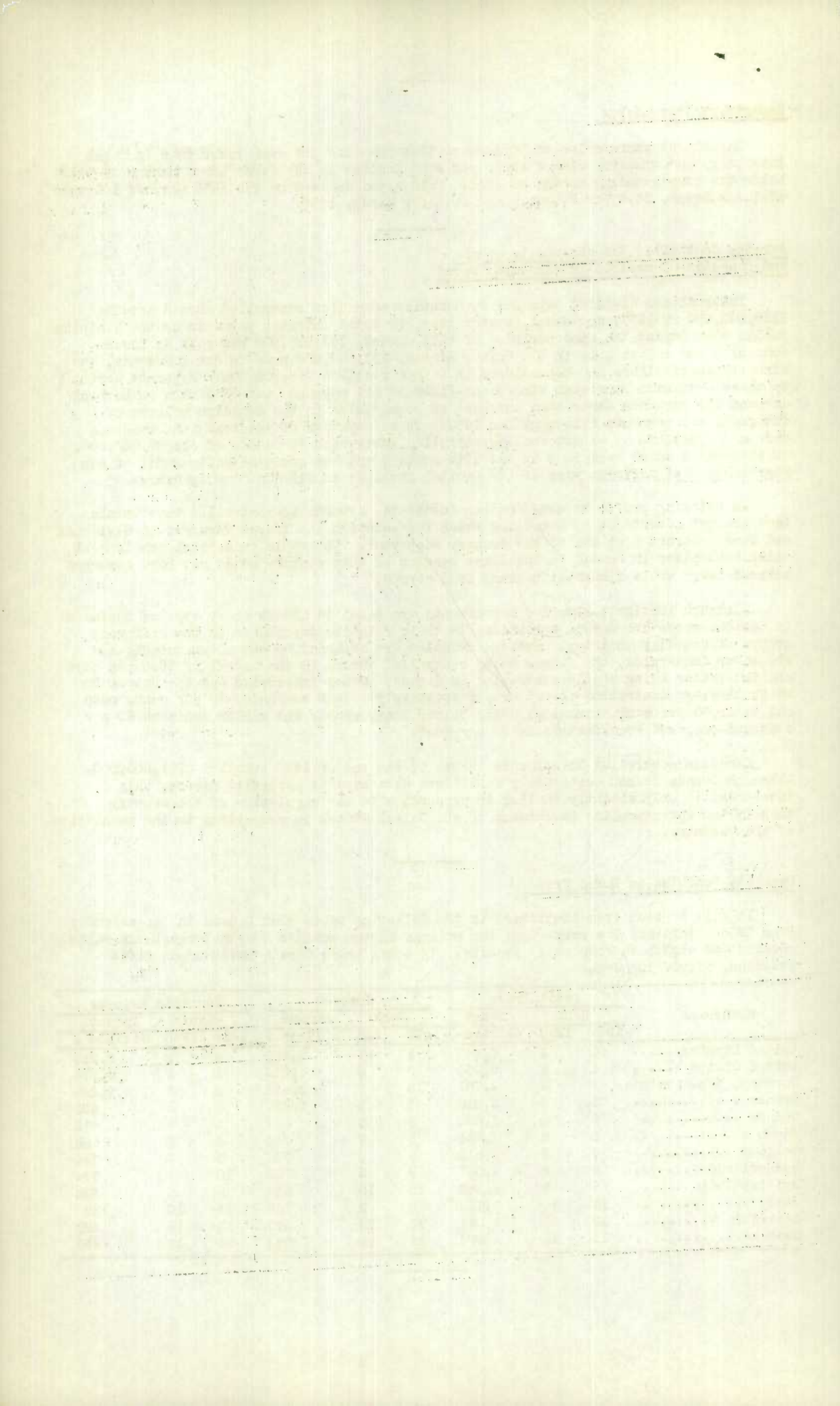
Although foreign controlled investments are found in almost every type of business in Canada, there are marked variations in their relative importance in the different groups of Canadian industry. Extreme examples are afforded by the motor vehicle and the sugar industries, the former being controlled abroad to the extent of 99.5 per cent and the latter being wholly controlled in Canada. Other industries and the extent to which they are controlled abroad are, respectively: loan companies 35 per cent, pulp and paper 45 per cent, farm implements 58 per cent, rubber and rubber products 80 per cent and prepared breakfast foods 98 per cent.

Canadian controlled investments abroad at the end of 1937 totalled \$511,000,000. Although Canada is not customarily considered as a capital exporting nation, this investment is only slightly smaller in proportion to the population of the country than is the corresponding investment of the United States in proportion to the population of that country.

Canada's Position in World Trade

It will be seen from statistics in the following table that Canada in the calendar year 1938 maintained its rank among the nations as the world's fourth largest exporting country and eighth in respect to imports. In total trade Canada moved up to fifth position, displacing Japan.

Countries	Total Trade			Imports			Domestic Exports		
	Rank		Amount Million \$	Rank		Amount Million \$	Rank		Amount Million \$
	1937	1938		1937	1938		1937	1938	
United Kingdom	1	1	6,840	1	1	4,525	2	2	2,315
United States	2	2	5,034	2	3	1,960	1	1	3,074
Germany, Inc. Austria	3	3	4,767	3	2	2,473	3	3	2,294
France	4	4	2,215	4	4	1,334	5	5	881
Canada	6	5	1,590	8	8	677	4	4	913
Japan	5	6	1,531	5	7	763	6	6	768
Belgium	7	7	1,510	6	6	776	7	7	734
Netherlands	8	8	1,357	7	5	783	10	9	574
British India	9	9	1,152	10	10	554	9	8	598
Italy	11	10	1,139	9	9	589	15	10	550
Australia	13	11	1,041	12	12	519	12	11	522
Sweden	14	12	988	11	11	523	14	12	465



Manufacturing Industries in 1937

The rise in manufacturing production which commenced during the summer of 1933 gained further momentum in 1937 with the result that the value of production rose to \$3,623,159,500, the highest point since 1929 when the total was \$3,883,446,110. In 1936 the total value was \$3,002,403,814.

All groups shared in the improvement. The greatest expansion took place in the iron and products group with a gain of \$169,134,324 in the gross value of production. Non-ferrous metals were second with an increase of \$131,275,702. The wood and paper group followed with a gain of \$99,953,212. Fourth position was occupied by vegetable products whose production was greater by \$75,078,528.

The improvement in 1937 was general through Canada. New Brunswick made the greatest advance in employment with an increase of 14 per cent, followed by Nova Scotia with a gain of 13.4 per cent and Quebec, Ontario and British Columbia in the order named. In gross value production, the advance made by the provinces was somewhat different. Nova Scotia with an increase of 24.5 per cent was in first place, followed by New Brunswick with 23.6 per cent, Quebec 21.2 per cent and Ontario 21 per cent.

Reports Issued During the Week

1. Monthly Review of Dairy Production, March (10 cents).
2. Storage Holdings of Fish, April 1 (10 cents).
3. Cold Storage Holdings of Meat and Lard, April 1 (10 cents).
4. Stocks of Dairy and Poultry Products, April 1 (10 cents).
5. Stocks of Canadian Fruit and Vegetables, April 1 (10 cents).
6. The Sand and Gravel Industry, 1937 (15 cents).
7. Sugar Report, March 4 to March 25, 1939 (10 cents).
8. Security Prices and Foreign Exchange (10 cents).
9. Review of Canada's Foreign Trade, 1938 (25 cents).
10. The Rubber Industry in Canada, 1937 (25 cents).
11. Advance Report on the Manufacturing Industries, 1937 (25 cents).
12. Weekly Index Numbers of Wholesale Prices (10 cents).
13. World Trade in Barley, 1927-1937 (50 cents).
14. Canadian Grain Statistics (10 cents).
15. Car Loadings on Canadian Railways (10 cents).
16. Preliminary Report on Department Store Sales, March (10 cents).
17. Sales and Purchases of Securities Between Canada and Other Countries, February (10 cents).
18. Summary of the Trade of Canada, February (10 cents).
19. British and Foreign Direct Investments in Canada and Canadian Direct Investments Abroad, 1937 (50 cents).
20. Stocks of Grain on Hand and of Merchantable Quality, March 31, Canada (10 cents).

women factory clothing

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