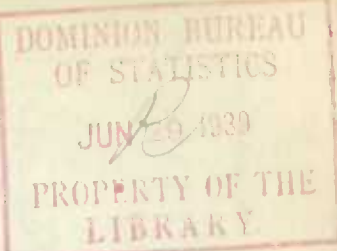


WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce



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Weekly Review of Economic Conditions

The factors indicating the trend of economic conditions averaged slightly higher in the third week of June, recording increases over the preceding week and over the same week of 1938. Gains over the preceding week were noted in the railway freight movement, wholesale prices and the amount of cheques cleared through the banks at principal centres. Speculative trading was also at a somewhat higher level. The railway freight movement and bank clearings also recorded advances over the same week of 1938, high-grade bonds were higher and speculative trading showed considerable acceleration.

The traffic movement recorded a gain after seasonal adjustment for the first time in six weeks, the index rising from 68.0 to 69.3. Traffic in the first 24 weeks of the year amounted to 1,024,298 cars, a decline of 33,455 cars from the same period of last year. The movement of grain showed marked betterment, while important declines were shown in pulpwood and miscellaneous commodities.

The level of wholesale prices showed a continuance of steadiness, extending the performance of the last ten months. The index stood at 73.3 against 73.1 in the preceding week. Non-metallic minerals was the only main group of the official classification to show a recession. The index of Canadian farm products rose from 62.9 to 63.5. The index of sensitive commodities, however, showed minor recession common to manufacturing materials and food prices. Grain prices recorded recession on the Winnipeg exchange, No. 1 Northern wheat dropping from 62 1/8 to 60 1/2. Electrolytic copper was slightly stronger on the London market, while lead showed a recession. The quotation for export copper was higher in New York, while lead and zinc were fully maintained.

High-grade bond prices showed a slight recession from the maximum of the preceding week, average yields rising from 2.91 to 2.92. The 4 1/2's of 1946 remained steady at 112 1/2. Common stock prices have shown reaction from the temporary peak established in the first week of June. The index receded from 97.5 to 96.4 in the week of June 22nd. The machinery and equipment and food groups showed minor advances, while the other groups of the industrial classification reached lower levels. Common stock prices were lower than in the same week of 1938, when a short-lived advance was in progress.

The weekly index based on the six above-mentioned factors was 107.3 in the week of June 24th against 107.1 in the preceding week and 106.0 in the same week of 1938. The gain over the preceding week was 0.2 p.c. while an advance of 1.2 p.c. was shown over the same week one year ago.

Weekly Index with the Six Components
1926=100

Week Ended	Car loadings ¹	Wholesale Prices	Capitalized Bond Yields ²	Bank Clearings ³	Prices of Common Stocks	Shares Traded	Weekly Index ⁴
June 25, 1938	68.2	80.4	162.3	82.4	99.3	56.5	106.0
June 17, 1939	68.0	73.1	166.9	92.3	97.5	71.3	107.1
June 24, 1939	69.3	73.3	166.1	93.5	96.4	72.2	107.3

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.

Dear Sir,

I have the honor to acknowledge the receipt of your letter of the 10th inst. in relation to the above mentioned matter. I am sorry to hear that you are not satisfied with the result of the investigation. I will endeavor to do all in my power to rectify the error.

The error in question was caused by a clerical mistake in the office. I have taken steps to prevent such a recurrence in the future. I am sure you will be satisfied with the explanation.

I am, Sir, very respectfully,
Your obedient servant,
J. H. [Name]

Very truly yours,
J. H. [Name]

Business Expansion in May

Economic conditions recorded moderate improvement in May over the preceding month. Each of the six fundamental factors, except the deposit liabilities of the banks recorded gains in this comparison. The most constructive feature of the month was the considerable gain in business operations. The index of the physical volume of business, which had shown recession from December to February, has counterbalanced a considerable portion of that drop by the advance of the last three months. A slight gain had been shown in April over March but the advance was materially extended in May. The increase in new business obtained by the construction industry was less than normal for the season, the index receding from 51.3 to 48.6. The four main divisions incorporated in the physical volume of business recorded advances. The index of mineral production showed an increase of 13 points to 232.7. Manufacturing plants expanded operations, the increase in the index having been about $3\frac{1}{2}$ p.c. The rise was confirmed by statistics of employment. The index, based on returns from manufacturing plants, after seasonal adjustment was 109.4 on June 1st, a gain of about 2 points from the beginning of the preceding month. The index of distribution, based on trade employment, carloadings and external trade, rose from 109.6 in April to 115.9 in the month under review.

Business Indexes for May 1939 compared with the
preceding month

Index	April, 1939	May, 1939
Physical Volume of Business	116.7	121.4
Industrial Production	119.1	123.3
Mineral Production	219.6	232.7
Copper exports	744.1	690.3
Nickel exports	412.7	362.9
Lead production	127.2	-
Zinc exports	213.5	160.1
Gold shipments	269.7	313.5
Silver shipments	75.0	143.8
Asbestos exports	122.1	106.4
Bauxite imports	72.1	594.2
Coal production	87.2	104.6
Manufacturing	109.5	113.3
Foodstuffs	107.5	111.3
Flour production	79.2	-
Oatmeal production	30.3	-
Sugar manufactured	84.2	119.2
Inspected slaughterings	125.7	139.1
Cattle	128.1	154.4
Sheep	143.0	163.2
Hogs	122.5	126.8
Creamery butter	146.2	143.4
Factory cheese	115.5	80.0
Salmon exports	117.3	122.3
Tobacco	171.1	177.2
Cigar releases	63.7	74.6
Cigarette releases	218.1	223.5
Rubber imports	101.3	136.8
Boots and shoes production	98.5	-
Textiles	88.3	116.1
Cotton consumption	89.1	107.9
Cotton yarn imports	84.4	104.2
Wool, raw and yarn	86.6	160.4
Forestry	120.2	112.6
Newsprint	137.4	149.6
Wood pulp exports	70.7	66.8
Planks and boards exports	110.6	85.9
Shingles exported	152.3	20.7
Iron and steel	76.7	67.1
Steel production	133.5	165.3
Pig iron production	76.5	83.5
Iron and steel imports	61.5	70.2
Automobile production	65.3	67.0
Coke production	115.4	116.4
Crude petroleum imports	187.2	214.1
Construction	51.3	48.6
Contracts awarded	54.3	53.0
Building permits	43.8	37.6
Cost of construction	91.8	92.1

Business Indexes for May 1939 compared with the preceding month

Index	April, 1939	May, 1939
Electric power	226.4	235.5
Distribution	109.6	115.9
Trade employment	137.2	138.0
Carloadings	69.2	81.1
Imports	78.0	91.2
Exports	126.9	138.0
Producers' Goods	111.0	115.2
Consumers' Goods	117.1	122.1
Marketings --		
Grain and Live Stock Marketings	60.3	102.6
Wheat	61.1	115.9
Oats	83.3	108.4
Barley	42.4	26.8
Flax	5.2	4.6
Rye	25.1	29.8
Live Stock Marketings	68.1	87.5
Cattle	70.8	93.3
Calves	136.2	177.8
Hogs	47.5	61.5
Sheep	111.6	107.0
Cold Storage Holdings	183.1	230.7
Eggs	120.9	101.9
Butter	387.6	588.7
Cheese	181.8	211.8
Beef	120.6	120.5
Pork	92.1	95.1
Mutton	111.8	118.8
Poultry	153.2	155.2
Lard	62.1	64.8
Veal	253.9	254.2

Canada's External Trade in May

A notable gain was recorded in the value of Canada's external trade in May, when the total was \$167,840,402 as compared with \$98,415,101 in the previous month and \$139,914,284 in the corresponding month last year. This was the highest point reached in any month since November 1937 when the total was \$188,458,020.

The most impressive gain was made in domestic exports, the value in May being \$93,983,716 in comparison with \$55,811,550 in April and \$67,769,500 in May, 1938. Imports advanced to \$72,957,808 from \$41,908,347 in the previous month and \$67,123,037 in the corresponding month last year.

The balance of trade in May was in Canada's favour to the extent of \$21,924,786 compared with a favourable balance of \$14,598,407 in April and \$5,668,210 in May, 1938.

The amount of duty collected during the month was \$8,914,260, being substantially higher than in April when the total was \$5,873,315 and also recording an improvement over May last year when the aggregate was \$8,519,770.

Exports of Canadian Cattle

There were 37,541 head of Canadian cattle exported in May valued at \$2,060,294 in comparison with 34,280 at \$2,173,461 in April and 12,577 at \$773,014 in May, 1938. The number sent to the United States in the latest month was 36,484 head.

Exports of Rubber

Rubber exports in May were valued at \$1,403,173 as against \$1,204,577 in April and \$1,270,277 in May, 1938. Pneumatic tire casings were exported to the value of \$616,083, there being 71 markets. Boots and shoes of rubber, or part rubber were worth \$449,742, the United Kingdom taking the bulk.

Exports of Butter and Cheese

May exports of Canadian butter were considerably higher, totalling 10,365 cwt. valued at \$220,495 compared with 6,331 at \$134,256 in April and 663 at \$18,835 in May, 1938. Shipments to the United Kingdom totalled 9,204 cwt., and Newfoundland 260 cwt.

A notable gain was also recorded in the exports of cheese, the total being 54,485 cwt. at \$768,842 in May compared with 3,766 at \$55,417 in April and 37,257 at \$570,794 in May, 1938. Purchases by the United Kingdom totalled 47,817 cwt., the United States 2,367 and Trinidad and Tobago 794.

Exports of Newsprint Paper

Exports of Canadian newsprint paper in May were heavier, amounting to 4,887,992 cwt. valued at \$10,677,981 compared with 3,247,091 at \$6,955,061 in April and 4,181,388 at \$9,135,364 in May, 1938. The United States took 4,059,422 cwt., the United Kingdom 335,439, Australia 320,372, British South Africa 46,158, Eire 33,558, Argentina 31,837, New Zealand 18,297 and Cuba 16,800.

Exports of Canadian Lumber

Advance was shown in Canada's May exports of planks and boards, the total being 165,539,000 feet valued at \$3,587,565 in comparison with 122,859,000 at \$2,522,331 in April and 124,957,000 at \$2,637,686 in May, 1938. The amount exported to the United Kingdom was 95,239,000 feet and to the United States 46,977,000.

Douglas fir planks and boards led with a total of 81,671,000 feet compared with 72,738,000 in May, 1938. Others were as follows, with figures for May last year in brackets: spruce, 38,205,000 (23,841,000); hemlock, 20,819,000 (14,177,000); pine, 9,663,000 (4,203,000); cedar, 7,373,000 (4,174,000); birch, 4,987,000 (4,150,000); maple, 860,000 (421,000).

Exports of Farm Implements and Machinery

Canada's May exports of farm implements and machinery were valued at \$1,022,015 in comparison with \$354,170 in the previous month and \$887,001 in the corresponding month last year. The United States was the chief purchaser with a total of \$294,597, followed by Argentina at \$251,518, the United Kingdom next at \$163,935, British South Africa \$149,069 and Australia \$42,350.

May Exports of Meat

May exports of meat totalled \$3,171,020 in comparison with \$2,086,687 in the previous month and \$3,821,830 in the corresponding month last year. Purchases by the United Kingdom totalled \$2,937,283, of which bacon and hams accounted for \$2,800,507. The United States was the next largest buyer with a value of \$105,642.

Bank Debits to Individual Accounts

With increases being shown in each of the five economic areas, financial transfers in the form of bank debits were more than 15 per cent greater in May than in the same month last year. The total was \$2,839,207,000 as against \$2,473,032,000 in April and \$2,461,867,000 in May, 1938. The relatively high total in May resulted in general increases for the five areas over the five months of 1938, the total being \$12,302,222,000 as against \$11,854,491,000.

The May totals follow by economic areas, with figures for 1938 in brackets: Maritime Provinces, \$65,781,792 (\$53,183,420); Quebec, \$882,234,174 (\$801,234,768); Ontario, \$1,295,215,577 (\$1,115,637,269); Prairie Provinces, \$437,127,747 (\$344,429,624); British Columbia, \$158,847,333 (\$147,382,308).

Car Loadings

Car loadings for the week ended June 17 increased to 43,888 cars from 42,497 in the previous week and the index number rose from 67.98 to 69.30. Only two commodities showed decreases and these were small. Compared with last year's loadings the total was heavier by 599 cars.

Canadian Wheat in Store

Canadian wheat in store for the week ending June 23 totalled 106,470,134 bushels compared with 110,214,354 in the previous week and 26,544,305 in the corresponding week last year. The amount of wheat in rail transit was 2,588,068 bushels as against 1,267,963 a year ago, and that in transit on the lakes totalled 4,804,887 bushels as against 504,248. Canadian wheat in the United States amounted to 4,465,000 bushels compared with 3,848,000 the week before and 840,000 a year ago.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces for the week ending June 23 totalled 968,317 bushels compared with 1,086,973 in the previous week and 1,017,121 in the corresponding week last year. By provinces the receipts were as follows, with figures for 1938 in brackets: Manitoba, 127,718 (189,086) bushels; Saskatchewan, 457,799 (396,931); Alberta, 382,800 (431,104).

Marketings for the forty-seven weeks ended June 23 aggregated 281,355,253 bushels in comparison with 121,775,253 in the corresponding period of the previous crop year. The amounts follow by provinces, with last year's figures in brackets: Manitoba, 43,415,614 (37,571,854) bushels; Saskatchewan, 113,125,396 (26,471,486); Alberta, 124,814,243 (57,731,911).

Overseas Export Clearances of Wheat

Overseas export clearances of wheat during the week ending June 23 advanced to 2,090,519 bushels from 867,468 in the corresponding week last year, while the imports into the United States for consumption and milling in bond for re-export rose to 281,000 bushels from 32,000. The clearances follow by ports, with figures for 1938 in brackets: Montreal, 747,668 (839,968) bushels; Sorol, 505,166 (nil); Vancouver-New Westminster, 542,385 (nil); Three Rivers, 272,800 (nil); United States Ports, 22,500 (27,500).

Overseas export clearances during the period August 1 to June 23 aggregated 116,924,915 bushels in comparison with 69,906,608 in the corresponding period last year, and the imports into the United States totalled 9,088,127 bushels compared with 2,154,387. The clearances were as follows by ports: Montreal, 38,496,010 (31,790,945) bushels; Vancouver-New Westminster, 36,121,622 (9,506,325); Sorol, 16,866,991 (3,290,062); United States Ports, 11,386,232 (13,398,915); Three Rivers, 8,534,605 (922,298); Saint John, 3,140,220 (8,712,711); Victoria, 1,093,350 (nil); Churchill, 916,913 (603,982); Fort William and Fort Arthur, 337,092 (114,375); Halifax, 31,880 (159,968); Prince Rupert, nil (910,940); Quebec, nil (496,087).

Production of Concentrated Milk

The production of concentrated milk in May totalled 17,741,635 pounds compared with 13,304,437 in the previous month and 19,638,875 in the corresponding month last year. Total output during the five months ended May was 53,774,131 pounds in comparison with 63,690,311 in the same period of 1938.

Sales of New Motor Vehicles

New motor vehicles to the number of 17,858 were retailed for \$19,326,715 in May this year compared with 17,864 which sold for \$19,876,982 in the corresponding month of 1938. This is the first month since the beginning of the year in which retail sales of new motor vehicles have reached the 1938 level, figures for earlier months of 1939 ranging from 13 to 19 per cent below corresponding periods of a year ago.

Cumulative totals for the first five months of 1939 show 56,951 units retailed for \$62,072,140, down 12 per cent in number and 14 per cent in value from the corresponding five-month period of 1938.

June Employment Situation

There was widespread improvement in industrial employment at June 1, according to returns received from 11,718 establishments whose staffs aggregated 1,098,908 compared with 1,032,068 at May 1. On June 1 last year, 10,632 firms had reported a total payroll of 1,068,620 men and women. The gain over May 1 was 66,840 persons or 6.5 per cent, which substantially exceeded the average advance at June 1 in the period 1921-1938, while on only two occasions in the last twelve years have larger additions to payrolls been reported. The unadjusted index rose from 106.2 at May 1 to 113.1 at the beginning of June and 111.9 on June 1, 1938.

Greatly increased activity was indicated at the beginning of June in manufacturing especially of lumber, pulp and paper, food, clay, glass and stone and iron and steel products. The movement was also decidedly favourable in the non-manufacturing division. Logging showed the largest June 1 advance recorded in the years since 1920, reflecting to a considerable extent river-driving operations in the Maritime and Central Provinces, while pulp wood cutting also showed important gains. Mining, transportation, communications, construction and maintenance, services and trade provided work for many more persons than at May 1. The advance in most of these industries was greater-than-seasonal, notably so in transportation and logging; this was partly due to the fact that the resumption of seasonal operations in certain industries, which ordinarily takes place before May 1, had this year been delayed by the unusually cold spring, and is accordingly reflected in the June 1 return. In a number of establishments, increased employment was reported as a result of the Royal visit.

Important increases were reported in Prince Edward Island, Nova Scotia and New Brunswick, 833 employers having a combined working force of 79,998 compared with 73,937 at May 1. Improvement was indicated in practically all industrial groups in Quebec, with the result that the staffs of 2,897 reporting firms increased by 26,956 persons to 344,477 on the latest date.

Ontario reported considerable expansion in operations in manufacturing, logging, mining, transportation and construction and maintenance, and the staffs of the 5,115 co-operating establishments aggregated 450,932 at June 1 compared with 428,419 at May 1. In the Prairie Provinces, 1,672 firms reported 130,576 employees as against 122,152 on the first of the previous month. An aggregate staff of 92,925 was reported by the 1,201 co-operating employers in British Columbia, whereas on May 1 the total was 90,039.

Loading Mineral Products

The production of Canada's leading mineral products during the four months ended April was as follows, with figures for the corresponding period of 1938 in brackets: asbestos, 86,605 (75,945) tons; cement, 716,886 (873,104) barrels; clay products, \$709,468 (\$755,737); coal, 4,566,908 (4,961,778) tons; copper, 191,290,651 (195,129,628) pounds; feldspar, 2,926 (3,450) tons; gold, 1,623,303 (1,446,386) fine ounces; gypsum, 104,398 (68,158) tons; lead, 121,433,825 (134,892,105) pounds; lime, 145,692 (142,986) tons; natural gas, 15,102,911,000 (14,140,495,000) cubic feet; nickel, 68,451,544 (74,047,064) pounds; petroleum, 1,831,022 (1,815,685) barrels; commercial salt, 54,217 (64,849) tons; silver, 5,900,467 (6,306,838) fine ounces; zinc, 112,151,836 (131,130,489) pounds.

Shipments of Feldspar

Canadian producers reported shipments of feldspar in April amounting to 609 tons compared with the March total of 650 tons and the April, 1938, shipments of 586 tons. During the period January to April of this year, 2,926 tons were shipped compared with 3,450 in the corresponding months of 1938.

Shipments of Commercial Salt

Commercial salt shipments by Canadian producers rose to 18,818 tons from the preceding month's total of 13,332 tons. In April last year, 27,419 tons were shipped. Sales during the four months ending April aggregated 54,217 tons, representing a decline of 16.4 per cent from the quantity sold a year ago.

Shipments of Cement

Canadian producers reported shipments of Portland cement in April amounting to 273,969 barrels compared with 203,779 in March and 364,096 in the corresponding month last year. During the first four months of this year, 716,886 barrels were shipped as against 873,104 in the same period of 1938.

Sales of Lime

The total quantity of lime sold or used by Canadian producers in April amounted to 38,491 tons compared with 37,937 in the previous month and 39,174 in April, 1938. The total during the four months ended April was 145,692 tons as against 142,986 in the same period of last year.

Country General Store Sales

The decline in country general store sales which has characterized corresponding month comparisons for the first four months of this year and last was materially reduced in May, when dollar sales were only three per cent below the same month a year ago. The index for the latest month stood at 108.8 compared with 91.1 in April and 111.9 in May, 1938.

Reports Issued Today

1. Index Numbers of Wholesale Prices (10 cents).
2. Telegraphic Crop Report, Prairie Provinces (10 cents).
3. Canada's Leading Mineral Products, April (10 cents).
4. Exports of Canadian Animals, Living, May (10 cents).
5. Exports of Canadian Rubber and Insulated Wire and Cable, May (10 cents).
6. June Employment Situation (10 cents).
7. Miscellaneous Leather Goods, Leather Belting, Leather Boot and Shoe Findings, Canada, 1937 (25 cents).
8. Express Statistics, 1938 (10 cents).
9. Diamond Drilling Industry, 1938 (10 cents).
10. Cement, Clay Products and Lime, April (10 cents).
11. Feldspar and Salt Production, April (10 cents).
12. Monthly Sales of New Motor Vehicles, May (10 cents).
13. Births, Deaths and Marriages, Fourth Quarter, 1938 (15 cents).
14. Car Loadings (10 cents).
15. Bank Debits to Individual Accounts, May (10 cents).
16. Exports of Petroleum and Its Products, May (10 cents).
17. Exports of Milk, Milk Products and Eggs, May (10 cents).
18. Exports of Lumber, May (10 cents).
19. Exports of Pulp Wood, Wood Pulp and Paper, May (10 cents).
20. Exports of Paints and Varnishes, May (10 cents).
21. Exports of Farm Implements and Machinery, May (10 cents).
22. Exports of Meats, Lard and Sausage Casings, May (10 cents).
23. Exports of Non-Ferrous Ores and Smelter Products, May (10 cents).
24. Operating Revenues, Expenses and Statistics of Railways, March (10 cents).
25. Production of Concentrated Milk, May (10 cents).
26. Trade of Canada by Months, January 1936 to May, 1939 (10 cents).
27. Security Prices and Foreign Exchange (10 cents).
28. Monthly Review of the Wheat Situation (10 cents).
29. Fruit and Vegetable Crop Report (10 cents).
30. Monthly Indexes of Country General Store Sales, May (10 cents).
31. Production of Asphalt Roofing, May (10 cents).
32. Canadian Grain Statistics (10 cents).
33. Dairy Situation in Canada, Spring Quarter (25 cents).

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