

WEEKLY BULLETIN

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Weekly Review of Economic Conditions

The factors indicating the trend of economic conditions showed considerable fluctuation in the last week of August, reflecting the influence of the European crisis. A marked decline was shown in high-grade bond prices, while wholesale and common stock prices recorded slight gains. Considerable increase was shown in car loadings, bank clearings and speculative trading over the preceding week. The same factors also showed appreciable gains over the same week of 1938, while prices of bonds, stocks and commodities were lower.

The railway freight movement showed a considerable gain in the 34th week of the year, the advance being due largely to an early and heavy movement of Western grain. An increase was shown over the same week of 1938, in continuance of the conditions existing since the first part of May. The traffic movement during the first 34 weeks of the year was 1,492,000 cars, a recession of only 6,764 cars from the same period of last year. Six of the 11 commodity groups recorded gains over the same period of 1938.

Wholesale prices recorded a slight gain in the week of August 31st, the index rising from 72.7 to 72.8. Grain prices were strong on the Winnipeg exchange, No. 1 Northern wheat rising from $58\frac{1}{2}$ to 61. Marked advances have recently been shown in base metal prices, but copper quotations are not available from the London and New York markets. Lead, in New York, was quoted at 5.25 to 5.30 on Sept. 5th, against 5.05 to 5.10 on August 29th. Zinc advanced from 4.75 to 5.50 during the same interval. Raw sugar was quoted at 3.24 on Sept. 2nd against 2.90 on August 26th, and a considerable gain was indicated in crude rubber, while live stock and textile quotations were lower. Sensitive commodities, for the most part, recorded marked advances.

High-grade bond prices reacted sharply in the week of August 31st, the average yield of the issues included in the index rising from 3.04 to 3.30. The index of capitalized bond yields consequently dropped sharply to a point about equivalent to that of the last week of September, 1938.

The weekly index was 106.7 in the week of Sept. 2nd against 108.1 in the preceding week, a decline of 1.2 per cent. The standing in the same week one year ago was 109.4, a decline of 2.4 per cent from last year's figure being indicated.

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
Sept. 3, 1938	85.4	74.6	158.7	93.3	103.1	98.2	109.4
Aug. 26, 1939	80.5	72.7	159.5	98.8	92.2	67.2	108.1
Sept. 2, 1939	87.3	72.8	147.1	102.0	92.3	131.7	106.7

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.

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Business Operations in July

Business operations were nearly maintained in July, the index having been 120.4 against 121.4 in the preceding month. The financial background continued strong, further advances having been shown in high-grade bond prices and in the deposit liabilities of the banks. Common stock prices averaged slightly higher than in June while wholesale prices reached a lower position. The severe tension in Europe has recently altered the relationship of these factors. High grade bond prices showed reaction while common stocks, wholesale prices and business turn-over moved into higher position. The mining industry continued active in July, the index of operations moving up about 10 points to 238.5. Marked gains were shown in the exports of copper, nickel and zinc, while the imports of bauxite were at an extremely high level. Gold shipments however, were 409,192 ounces against 479,629 ounces in the preceding month, the gold index declining from 356 to 298.

A slight gain was shown in the production of foodstuffs by manufacturing plants. The index of tobacco releases dropped from 172 to 163, the gain in the release of cigarettes from 658 million to 677 million having been less than normal for the season. The textile index advanced over four points to 133.0, due mainly to activity in cotton goods. Petroleum imports were 139.4 million gallons against 155.3 million in June, the decline being less than seasonal expectations. The index of electric power production dropped about three points to 235.5. The railway freight movement was more active than in the preceding month and the export trade was nearly maintained after seasonal adjustment.

Business Indexes for July 1939 compared with the preceding month (1926=100)

Indexes - Seasonally Adjusted	June, 1939	July, 1939
Physical Volume of Business	121.4	120.4
Industrial Production	124.4	123.8
Mineral Production	228.9	238.4
Copper exports	492.0	567.7
Nickel exports	270.2	288.4
Lead production	130.5	-
Zinc exports	223.8	268.5
Gold shipments	356.1	298.4
Silver shipments	93.8	131.3
Asbestos exports	181.8	136.1
Bauxite imports	1183.6	1723.2
Coal production	98.0	102.0
Manufacturing	112.9	112.2
Foodstuffs	101.9	104.1
Flour production	82.6	-
Oatmeal production	23.8	-
Sugar manufactured	96.0	85.1
Inspected slaughterings	127.2	135.8
Cattle	143.1	140.2
Sheep	133.8	135.7
Hogs	116.0	132.8
Creamery butter	148.4	145.4
Factory cheese	73.5	69.6
Salmon exports	77.1	43.5
Tobacco	171.9	163.2
Cigar releases	67.4	64.0
Cigarette releases	218.1	209.8
Rubber imports	123.8	147.7
Boots and shoes production	107.2	-
Textiles	128.8	133.0
Cotton consumption	124.4	126.0
Cotton yarn imports	68.4	117.0
Wool, raw and yarn	173.0	173.1
Forestry	120.6	114.2
Newsprint	151.4	142.3
Wood pulp exports	54.6	60.3
Planks and boards exports	98.0	91.8
Shingles exported	153.0	139.5

Business Indexes for July 1939 compared with the preceding month (1926=100)

Indexes - Seasonally Adjusted	June, 1939	July, 1939
Iron and steel	91.0	88.9
Steel production	179.7	176.0
Pig iron production	85.7	100.1
Iron and steel imports	68.7	70.0
Automobile production	76.2	70.1
Coke production	122.9	126.7
Crude petroleum imports	225.9	227.6
Construction	59.4	53.2
Contracts awarded	64.1	56.2
Building permits	47.6	45.9
Cost of construction	92.4	92.4
Electric power	238.8	235.5
Distribution	112.9	110.5
Trade employment	137.5	137.1
Carloadings	71.3	76.8
Imports	87.7	85.3
Exports	145.8	145.4
Producers' Goods	118.7	116.4
Consumers' Goods	118.9	119.1
Marketings --		
Grain and Live Stock Marketings	40.5	76.8
Grain Marketings	33.8	76.5
Wheat	29.8	74.0
Oats	181.9	122.7
Barley	13.8	132.9
Flex	0.6	1.6
Rye	51.6	70.8
Live Stock Marketings	70.5	78.3
Cattle	74.3	84.7
Calves	133.0	144.3
Hogs	54.2	57.2
Sheep	75.0	79.9
Cold Storage Holdings	210.6	150.6
Eggs	98.5	96.5
Butter	493.9	243.7
Cheese	199.9	163.9
Beef	143.0	151.7
Pork	95.2	93.4
Mutton	156.5	179.1
Poultry	172.2	183.3
Lard	73.9	78.2
Veal	251.5	304.8

Wheat Stocks in Store

Canadian wheat in store for the week ending September 1 advanced to 142,999,827 bushels from 108,263,197 in the previous week and 66,090,748 in the corresponding week last year. The amount of Canadian wheat in the United States was 7,207,000 bushels compared with 6,701,000 the week before and 634,000 a year ago. Wheat in rail transit amounted to 19,626,398 bushels compared with 15,733,378 last year, and the amount in transit on the lakes was 4,359,589 bushels compared with 3,076,749.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces for the week ending September 1 totalled 32,091,071 bushels compared with 15,550,652 in the previous week and 23,112,502 in the same week last year. The receipts were as follows, with figures for 1938 in brackets: Manitoba, 10,996,835 (8,702,002) bushels; Saskatchewan, 15,980,598 (10,281,980); Alberta, 5,113,638 (4,128,520).

Marketings in the five weeks ended September 1 aggregated 56,654,885 bushels compared with 47,435,686 in the corresponding period of the previous crop year. The amounts follow by provinces, with figures for 1938 in brackets: Manitoba, 23,414,531 (23,503,888) bushels; Saskatchewan, 23,560,555 (16,750,313); Alberta, 9,679,801 (7,181,485).

Overseas Export Clearances of Wheat

Overseas export clearances of wheat during the week ended September 1 totalled 1,561,000 bushels compared with 1,936,384 bushels in the corresponding week last year. The totals follow by ports, with figures for 1938 in brackets: Montreal, 582,291 (1,342,022) bushels; Sorol, 364,429 (nil); Churchill, 280,000 (nil); Vancouver-New Westminster, 246,764 (84); United States Ports, 87,516 (594,278).

Overseas export clearances from August 1 to September 2 aggregated 11,418,119 bushels compared with 7,361,320 in the same period of the previous crop year. The totals follow by ports: Montreal, 4,184,318 (5,587,830) bushels; Vancouver-New Westminster, 2,474,510 (6,167); Sorol, 2,277,453 (nil); United States Ports, 985,487 (1,431,724); Churchill, 868,114 (nil); Three Rivers, 581,928 (335,599); Victoria, 46,309 (nil),

Stocks of Butter, Cheese and Eggs

Stocks of Canadian creamery butter in nine Canadian cities which are close to 70 per cent of the total, aggregated 39,839,000 pounds compared with 42,016,000 a year ago. Cheese stocks were 33,619,000 pounds compared with 27,973,000, cold storage eggs 5,859,000 dozen compared with 6,360,000, frozen eggs 4,738,000 pounds compared with 3,724,000.

Index of Wholesale Sales in July

July sales of wholesale trading houses in Canada were 2.3 per cent higher than the amount recorded for the same month a year ago, according to returns secured from approximately 200 wholesale firms operating in nine different lines of trade. Corresponding-month comparisons for this year and last for earlier periods showed losses for February, March, April and June while gains were registered in January and May. The average index for the first seven months of 1939 was less than one per cent greater than the index for the same seven-month period of 1938.

Improvements over July 1938 were recorded in all lines of trade. The footwear and clothing trades showed the largest gains with increases of 16.7 per cent and 11.9 per cent, respectively.

Sales and Purchases of Securities Between Canada and Other Countries during July

The international trade in securities between Canada and other countries declined in July. The total in the latest month was \$44,010,862 compared with \$53,831,351 in June and \$67,864,907 in July, 1938. Sales aggregated \$23,582,156 compared with \$26,004,128 in June and \$37,276,378 a year ago. Purchases in July totalled \$20,428,706 compared with \$27,827,223 in June and \$30,588,529 in July, 1938.

Canada's trade in securities with the United States in July was valued at \$32,977,361, sales to that country totalled \$18,610,088 and purchases \$14,367,273. In June the trade with the United States totalled \$42,333,355, of which sales accounted for \$20,691,834 and purchases \$21,641,521. In July last year, the total was \$40,584,433, sales totalling \$27,600,309 and purchases \$22,984,124.

The securities trade with the United Kingdom was valued in July at \$7,383,273 compared with \$8,016,606 in June and \$12,058,758 a year ago. Sales in July totalled \$2,277,570 compared with \$2,785,037 in June and \$6,313,501 a year ago. Purchases aggregated \$5,105,703 compared with \$5,231,569 in June and \$5,745,257 in July, 1938.

During the seven months ended July, security sales to other countries aggregated \$220,308,841 compared with \$203,376,264 in the same period of 1938. Purchases totalled \$158,083,498 compared with \$181,521,119 in 1938. Sales to the United States in this period aggregated \$168,351,475 compared with \$157,885,262 last year, and purchases from that country totalled \$120,484,801 compared with \$137,579,310. Sales to the United Kingdom were valued at \$26,596,839 compared with \$29,413,455 and purchases \$29,500,887 compared with \$35,187,553.

Canadian Trade in 1938-39

The expansion in Canada's external trade during the fiscal years 1933-34 to 1937-38 was halted in 1938-39. Total trade, imports and exports combined, in 1938-39 amounted to \$1,627,998,000 compared with \$1,883,891,000 in 1937-38. Imports declined by 17.6 per cent to \$658,228,000. Total exports dropped 10.6 per cent to \$969,770,000, increases in September and in the last three months of the year not being great enough to counterbalance earlier declines. Domestic exports, excluding gold, amounted to \$831,260,000 in 1938-39 compared with \$976,563,000 in the previous year.

The declines in imports and exports were the result of lower prices and smaller volume. Exports were affected more seriously than imports by the decline in prices, while the contraction in volume was almost negligible, less than one per cent. The volume of imports dropped 13 per cent.

The Condensed Preliminary Review of the 1938-39 Trade has been printed and is now available at the Printing Bureau, price 25 cents.

Manufacturing in the Prairie Provinces

Manufacturing production in the Prairie Provinces recorded another advance in 1937. Compared with the previous year there were increases of \$41,529,382 or 16.8 per cent in the gross value of production, 2,292 or 5.7 per cent in the number of persons employed, \$5,028,046 or 11.8 per cent in the salaries and wages paid, \$29,996,153 or 19.1 per cent in the cost of materials used and \$10,741,002 or 12.6 per cent in the value added by manufacture.

Establishments reporting in 1937 numbered 2,627 with a capital investment of \$229,446,146. These plants furnished employment to 42,337 persons who received \$47,860,194 in salaries and wages and produced goods with a gross selling value at the factory of \$289,236,404 while the value added by manufacture amounted to \$95,942,215. Alberta made the greatest gain in employees and wages and salaries paid, while Saskatchewan made the greatest gain in the gross value of production.

From the standpoint of value of production, slaughtering and meat packing again led all industries in 1937 with an output valued at \$60,803,031. This was followed by flour and feed mills with a production of \$43,852,546 and butter and cheese with \$26,623,576. These three industries accounted for over 45 per cent of the total production of the Prairie Provinces. Other leading industries, in the order named, were: petroleum products, railway rolling stock, bread and other bakery products, printing and publishing and breweries.

The city of Winnipeg, with an output of \$80,108,696, is the most important manufacturing centre. Calgary, with an output of \$30,555,736, comes next. Other important cities, in the order named, are: Edmonton, St. Boniface, Moose Jaw, Saskatoon, Regina, Transcona, and Medicine Hat.

Circumstances of Accidental Deaths

Accidental deaths accounted for 5.5 per cent of the total deaths from all causes in Canada during 1937, when the number was 6,210. In 1936, the number of accidental deaths recorded was 6,365, accounting for 5.9 per cent of all deaths in that year.

Many types of accidents were reported. Deaths from automobile and motorcycle accidents contributed the largest number with a total of 1,633 deaths, forming 26.3 per cent of all fatal accidents. The situation has thus become more serious than in 1936, when 1,316 persons died as the result of accidents in which automobiles or motorcycles figured.

Deaths from accidents occurring in public places numbered 3,045, in the home 2,068, and industrial accidents accounted for 1,064 deaths during the year. In 1936 the number of accidental deaths occurring in public places was 2,590, in the home 2,760 and in industry 980.

Tuberculosis Institutions

The first annual report on Tuberculosis Institutions in Canada published by the Dominion Bureau of Statistics, shows that 8,675 patients were admitted to sanatoria during 1937. Of this total 6,923 were pulmonary cases, 258 had plourisy with or without offusion, 501 had non-pulmonary tuberculosis and 993 were non-tuberculous. Of those admitted suffering from tuberculosis, 2,782 were under 24 years of age, 4,116 between 24 and 49 years and 784 were 50 years and over. Of the total cases admitted, 74.2 per cent were new cases, 24.4 per cent were re-admissions and 1.4 per cent reviews. It is of interest to note that 88 per cent of total tuberculosis admissions were active and 56 per cent bacillary.

Patients discharged during the year numbered 6,603 with an average stay in sanatorium of 286 days. Deaths numbered 1,665, of which number 1,169 died from pulmonary tuberculosis, 278 from pulmonary tuberculosis and complications, 116 from non-pulmonary tuberculosis and 102 from causes other than tuberculosis. The average length of stay of patients who died was 301 days.

In 1926 the death rate from tuberculosis in Canada was 86.0 per 100,000 population, while in 1937 it fell to 60.1, a reduction of 30 per cent in eleven years, representing a saving of 2,400 lives in 1937 as compared with 1926.

The report comprises 111 pages, covering admissions, discharges and deaths in tuberculosis institutions in each province with the exception of British Columbia during the twelve-month period ended December 31, 1937. Twenty-seven tables covering admissions, discharges and deaths, shown by institutions and provinces, set out the salient facts concerning tuberculosis in a striking way. To facilitate the study of the tables an analysis of each table is given. There is also an appendix bringing together available statistics of deaths and death rates from tuberculosis in Canada for the years 1921 to 1937, inclusive.

The data presented should be of profound interest to all tuberculosis workers throughout Canada and is available to all interested at the nominal charge of twenty-five cents per copy.

Reports Issued during the Week

1. Canadian Grain Statistics (10 cents).
 2. Circumstances of Accidental Deaths in Canada, 1937 (25 cents).
 3. Index Numbers of Wholesale Prices (10 cents).
 4. Telegraphic Crop Report, Prairie Provinces (10 cents).
 5. International Trade in Securities between Canada and Other Countries, July (10 cents).
 6. Car Loadings (10 cents).
 7. Manufacturing Industries of the Prairie Provinces, 1937 (25 cents).
 8. Security Prices and Foreign Exchange (10 cents).
 9. Monthly Indexes of Wholesale Sales, July (10 cents).
 10. Stocks of Canadian Butter, Cheese and Eggs in the Principal Cities of Canada, September 1 (10 cents).
 11. Condensed Preliminary Report on the Trade of Canada, 1938-39 (25 cents).
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