

## WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce

DOMINION BUREAU  
OF STATISTICS

SEP 17 1939

PROPERTY OF THE

Vol. VII - No. 37

Ottawa, Saturday, Sept. 16, 1939

Price \$1.00 per year

Weekly Review of Economic Conditions

Influenced by the outbreak of war in Europe, marked fluctuations were shown in the six factors indicating the trend of economic conditions. Four of the factors recorded important gains over the preceding week. High-grade bond prices and speculative trading were lower. Gains in car loadings, bank clearings and common stock prices ranged from 10 to 15 per cent while the increase in the index of wholesale prices was more than four per cent. Bond and common stock prices were lower than in the same week of 1938 while the four other factors were at a higher position.

A marked advance was shown in the railway freight movement in the 35th week of the year. Gains were shown in both the eastern and western divisions but the increase in the latter was more spectacular. The traffic movement of the first 35 weeks of the year was 1,557,588 cars, showing a gain of nearly 1,000 cars over the same period of last year. Six of the 11 commodity groups showed increases in this comparison, the advance in grain having been 48,354 cars.

The purchase of many commodities was stimulated by the commencement of war operations and sensitive prices moved up sharply. The general wholesale index rose from 72.8 in the week of September 1st to 75.9 in the week under review, the gain being greater than in any other week for many months. An increase was shown over the same week of 1938 when the index was 74.0. Wholesale prices had been remarkably stable for 12 months and the rally in the week of September 8th resulted in a higher position than at any other time during that period. Electrolytic copper was quoted in New York at 12 cents against 11 cents one week ago. Increases were also shown in lead, tin and zinc. Lead prices advanced from 5.25-5.30 to 5.50-5.55, and zinc from 5.50 to 6.25. No. 1 Northern wheat averaged 77  $\frac{7}{8}$  in the week of September 9th against 61 in the preceding week, and marked gains were also shown in coarse grains. Livestock prices moved up sharply on the Toronto stockyard. Medium steers were quoted at 6.17 against 5.69 and bacon hogs at 8.18 against 7.52.

Common stock prices rose sharply in the week of September 7th, the index having been 102.3 against 92.3 in the preceding week. Each of the industrial groups, except beverages, participated in the advance. The index of 15 power and traction stocks was 53.5 against 55.2. The outbreak of war had an adverse effect on the high-grade bond market, the marked decline of the preceding week having been continued. The average yield of issues included in the index advanced from 3.30 to 3.61. The 4 $\frac{1}{2}$ 's of 1947-57 were bid at 102 on September 12th against 103 on the 5th. The adjusted index of bank clearings rose from 102 in the week of September 2nd to 117.7 in the week under review. A gain of 18.7 per cent was also shown over the same week of 1938.

The weekly index based on six prominent factors was 109.7 in the week of September 9 against 106.7 in the preceding week, a gain of 2.8 per cent. The index was 110.4 one year ago, the consequent decline from that time having been 0.7 per cent.

Weekly Index with the Six Components  
1926=100

Week Ended	Car loadings <sup>1</sup>	Wholesale Prices	Capitalized Bond Yields <sup>2</sup>	Bank Clearings <sup>3</sup>	Prices of Common Stocks	Shares Traded	Weekly Index <sup>4</sup>
Sept. 10, 1938	87.9	74.0	158.2	99.2	104.2	50.8	110.4
Sept. 2, 1939	87.3	72.8	147.1	102.0	92.3	131.7	106.7
Sept. 9, 1939	99.6	75.9	134.6	117.7	102.3	90.2	109.7

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.

MEMORANDUM

TO : THE PRESIDENT

FROM : THE SECRETARY OF DEFENSE

DATE: 1954

The Department of Defense has the honor to acknowledge the receipt of your letter of 10/15/54 regarding the proposed acquisition of additional aircraft for the Air Force. The Department is currently reviewing the proposal and will advise you of the results of its review as soon as possible.

A copy of your letter is being furnished to the appropriate agencies for their information and comment. The Department is also conducting a study of the proposed acquisition and will report the results of this study to you in due course.

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Item	Quantity	Unit Price	Total Price
1. Aircraft	100	\$1,000,000	\$100,000,000
2. Engines	200	\$500,000	\$100,000,000
3. Spare Parts	500	\$200,000	\$100,000,000
4. Maintenance	100	\$1,000,000	\$100,000,000
5. Training	100	\$1,000,000	\$100,000,000
6. Transportation	100	\$1,000,000	\$100,000,000
7. Miscellaneous	100	\$1,000,000	\$100,000,000
<b>Total</b>			<b>\$600,000,000</b>

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### Canada's External Trade in July

A marked advance was recorded in the value of Canada's external trade in July, the total being \$150,308,714 compared with \$134,542,328 in July, 1938. A sharp advance was shown in the value of domestic exports, the aggregate being \$90,797,055 compared with \$66,915,722; imports were also higher, totalling \$58,580,050 compared with \$55,822,529.

Canada's July trade was thus favourable to the extent of \$33,148,614 compared with \$22,897,270 a year ago. The amount of duty collected was \$7,170,291 in comparison with \$7,293,412 in July, 1938.

Canadian external trade made a substantial advance during the first seven months of 1939, aggregating \$938,650,288 compared with \$886,914,210 in the seven months of 1938. The betterment was due entirely to heavier exports of domestic products, amounting to \$552,784,546 in comparison with \$457,992,556. Imports were valued at \$379,659,369 as against \$392,514,764.

The balance of trade was favourable to the extent of \$179,331,550 compared with \$101,884,682 in the seven months of 1938. Duties collected during the seven months totalled \$49,862,306 compared with \$53,345,378.

### August Domestic Exports

The monthly increase in the export of Canadian products which has featured Canadian trade in 1939 was maintained in August, the value being \$110,000,000 as compared with \$83,500,000 in the same month last year. The increase was \$26,500,000.

While the export of wheat and wheat flour increased largely in volume, the value was slightly under that of a year ago but there were large increases in the sales of fish, meats, lumber, wood pulp, newsprint, automobiles, copper and non-monetary gold bullion. There were decreases in nickel, furs and cheese.

The following were the exports by principal items, with the August 1938 figures in brackets: wheat, \$5,463,955 (\$5,670,536); wheat flour, \$1,047,675 (\$1,269,152); fish, \$2,210,265 (\$2,059,585); furs, \$803,384 (\$1,287,678); meats, \$2,998,899 (\$2,624,781); cheese, \$1,509,699 (\$1,541,820); planks and boards, \$5,633,760 (\$3,346,821); wood pulp, \$2,937,169 (\$2,833,241); newsprint, \$10,194,899 (\$9,621,715); automobiles and parts, \$2,337,043 (\$1,595,310); copper, partially manufactured, \$4,319,576 (\$4,179,784); nickel, unmanufactured, \$3,485,639 (\$3,967,955); non-monetary gold bullion, \$33,484,570 (\$13,560,608).

During the eight months ending in August Canadian exports totalled \$663,000,000 compared with \$541,500,000 a year ago, a gain of \$121,500,000. The increase in the eight months export was accounted for by advances in wheat, fish, furs, cheese, lumber, wood pulp, newsprint, automobiles, gold bullion, copper and nickel, decreases being in wheat flour and meats.

The following were the eight-month exports by principal items, with figures for the same period of 1938 in brackets: wheat, \$45,208,612 (\$43,618,716); wheat flour, \$8,896,804 (\$11,909,248); fish, \$16,559,767 (\$15,761,984); furs, \$11,147,161 (\$10,551,853); meats, \$21,903,012 (\$24,771,804); cheese, \$5,204,595 (\$5,153,014); planks and boards, \$29,967,202 (\$22,759,264); wood pulp, \$18,171,376 (\$18,095,397); newsprint, \$71,307,596 (\$65,368,860); automobiles and parts, \$19,624,484 (\$18,703,526); copper, partially manufactured, \$35,552,710 (\$32,984,720); nickel, unmanufactured, \$35,800,766 (\$33,966,817); non-monetary gold bullion, \$102,099,514 (\$13,608,085).

### August Export of Wheat and Flour

The export of wheat in August was 10,272,929 bushels as against 6,266,055 in August 1938, but the revenue was only \$5,463,955 against \$5,670,536. The average export price in August this year was 53.2 cents per bushel, whereas the year before it was 90.5 cents.

During the first eight months of 1939 the export was 75,366,950 bushels compared with 39,298,033 in the same period last year; the value was \$45,208,612 compared with \$43,618,716. The average export price for the first eight months of 1939 was 60 cents per bushel and for the corresponding period last year, \$1.11.



The export of wheat flour in August was 379,276 barrels compared with 286,270 a year ago, and the revenue only \$1,047,675 as against \$1,269,152. The average export price in August was \$2.76 compared with \$4.43 in August, 1938.

During the eight months ended in August the quantity was 3,005,951 barrels compared with 2,220,586 in the eight months of 1938, but the revenue this year was only \$8,896,804 compared with \$11,909,248. The average export price of flour in these eight months was \$2.96 per barrel compared with \$5.36 a year ago.

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#### Production of Coal and Coke

Canadian mines produced a total of 1,064,354 tons of coal in July compared with 825,940 in the corresponding month last year. The five-year average for the month stands at 1,001,673 tons. Bituminous coal output totalled 982,221 tons, sub-bituminous 8,776, and lignite, 73,357. Imports of coal in July rose to 1,570,973 tons, or 7.5 per cent higher than the receipts in July, 1938. Exports of Canadian coal declined to 18,627 tons from 20,022 last year.

Production of coke in Canada amounted to 189,254 tons compared with 187,990 in June and 183,199 in July, 1938. During the first seven months of 1939 the cumulative production was 1,312,067 tons against 1,432,057 in the corresponding period in 1938.

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#### June Production of Silver

Canada's June production of silver rose to 2,876,694 ounces from 1,809,789 in the previous month and 2,822,886 in June, 1938. The total for the first half of 1939 was 10,586,960 ounces in comparison with 10,665,190 in the corresponding period of 1938.

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#### June Production of Lead

June production of lead in Canada was recorded at 32,751,469 pounds as compared with 31,815,181 in May and 37,867,582 in the corresponding month last year. During the first six months of 1939 the total output was 186,000,475 pounds compared with 205,168,485 in the first half of 1938.

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#### Production of Zinc in June

Canada's output of zinc in June totalled 36,897,673 pounds compared with 29,702,668 in May and 31,549,136 in June last year. The output for the first half of 1939 aggregated 178,752,177 pounds as compared with 198,200,396 in the same period of 1938.

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#### Railway Revenues in June

Revenues of Canadian railways for June increased to \$26,160,406 from \$24,577,362 in 1938, and with an increase in operating expenses of only \$480,415, operating income increased by \$1,000,599, or from a debit of \$489,991 to a credit of \$600,608. For the first half of the year, revenues increased from \$148,817,478 in 1938 to \$153,180,846, Operating expenses were reduced from \$144,931,231 to \$142,639,651 and the operating income increased from a debit of \$3,228,619 to a credit of \$3,139,890.

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#### Economic Conditions during First Seven Months of 1939

Economic conditions as measured by important factors were relatively steady during the first seven months of the present year, averaging somewhat higher than in the same period of 1938. Advances were recorded in business operations and in significant financial factors including high-grade bond prices and the deposit liabilities of the chartered banks. The average of the index of the physical volume of business was 110.0 in the first seven months of 1938, rising to 116.8 in the same period of the present year.

The table on page four illustrates the situation.



Statistics Illustrating the Economic Situation of Canada in the First Seven Months of 1939, Compared with the Same Period of 1938.

Item	Unit or base period	Seven Months 1939	Months 1938	Increase + Decrease - Per Cent
<b>General Economic Situation</b>				
Index of Physical Volume of Business	1926=100	116.8	110.0	+ 6.2
Index of Industrial Production	1926=100	119.2	111.3	+ 7.1
Wholesale Prices	1926=100	73.3	81.7	- 10.3
Index of Common Stock Prices	1926=100	100.0	102.6	- 2.5
Capitalized Bond Yields, Dominion	1926=100	162.6	156.9	+ 3.6
Mining Stock Prices	1926=100	153.8	142.4	+ 8.0
Bank Debits	\$000	17,509,832	17,051,439	+ 2.7
<b>Production and General Business</b>				
<b>Mineral Production</b>				
Copper Exports	Lbs.	325,917,900	313,711,900	+ 3.9
Nickel Exports	Lbs.	133,201,600	112,150,600	+ 18.8
Lead Production (6 mos.)	Lbs.	186,000,475	205,235,643	- 9.4
Zinc Exports	Lbs.	197,047,000	191,060,400	+ 3.1
Gold Shipments	Fine Ozs.	2,956,940	2,572,200	+ 15.0
Silver Shipments	Fine Ozs.	10,914,131	11,506,010	- 5.1
Coal Production	Tons	7,794,971	7,683,076	+ 1.5
<b>Manufacturing Production</b>				
Flour Production (6 mos.)	Bbls.	6,822,351	5,511,129	+ 23.8
Sugar manufactured	Lbs.	387,788,743	370,140,908	+ 4.8
Cattle Slaughtering	No.	894,651	899,985	- 0.6
Hog Slaughtering	No.	1,784,857	1,808,342	- 1.3
Cigarettes released	No.	3,970,326,042	3,870,562,350	+ 2.6
Cigars released	No.	67,266,507	73,322,526	- 8.3
Leather Boots and Shoes (6 mos.)	Prs.	10,488,647	10,149,900	+ 3.3
Raw Cotton Consumption	Lbs.	62,517,580	62,904,047	- 0.6
<b>Paper and Lumber -</b>				
Newsprint Production	Tons	1,568,694	1,462,417	+ 7.3
Exports of Planks and Boards	000 Ft.	1,114,950	922,002	+ 20.9
<b>Iron and Steel -</b>				
Steel Ingot Production	Long Tons	691,290	754,668	- 8.4
Pig Iron Production	Long Tons	356,108	455,396	- 21.8
<b>Automobile and Allied Industries -</b>				
Automobile Production	No.	102,890	111,165	- 7.4
Petroleum Imports	Gals.	636,148,000	613,131,181	+ 3.8
Crude Rubber Imports	Lbs.	36,196,076	31,361,166	+ 15.4
<b>Construction -</b>				
Contracts	\$	105,575,600	101,813,400	+ 3.7
Building Permits	\$	33,396,875	32,011,312	+ 4.3
Electric Power Production	000 K.W.H.	15,947,968	14,706,151	+ 8.4
<b>External Trade -</b>				
Exports	\$	558,990,919	494,399,446	+ 13.1
Imports	\$	379,659,369	392,514,764	- 3.3
Excess of exports over imports	\$	179,879,274	101,884,682	+ 76.6
<b>Railways -</b>				
Carloadings	No.	1,306,859	1,314,806	- 0.6
Gross Revenue C.N.R. (Can. Lines)	\$	86,395,000	83,152,875	+ 3.9
Gross Revenue C.P.R.	\$	73,796,545	72,701,237	+ 1.5
<b>Employment - 8 months' average, unadjusted</b>				
General Index	1926=100	109.8	110.2	- 0.4
Manufacturing		108.6	110.6	- 1.8
Logging		97.9	159.9	- 38.8
Mining		160.7	153.3	+ 4.8
Construction		107.6	94.0	+ 14.5
Building		52.9	52.7	+ 0.4
Highway		212.9	170.0	+ 25.2
Trade		135.1	131.3	+ 2.9
<b>Banking - Seven Months' Average</b>				
Notice and Demand Deposits	\$	2,386,181,225	2,281,171,000	+ 4.6
Readily Available Assets	\$	1,750,679,177	1,591,244,000	+ 10.0
Current Loans	\$	807,288,651	761,745,100	+ 6.0
Call Loans - Canada	\$	56,000,545	67,870,580	- 17.5
Elsewhere	\$	48,310,352	52,392,220	- 7.8
Security Holdings	\$	1,500,011,612	1,445,226,000	+ 3.8

36 factors advanced  
18 " declined.





## Field Crops of Canada

The total Canadian wheat crop of 1939 is estimated at 449,058,000 bushels which is 99,048,000 bushels larger than the total wheat production in 1938. The 1939 crop is the fourth largest on record, exceeding slightly the total production in 1932, and representing the heaviest production since 1928. Spring wheat production in 1939 amounts to 426,640,000 bushels and winter wheat to 22,418,000 bushels.

The principal feed crops are almost unchanged from last year's production, while rye and flaxseed on larger acreages show increased production. The oat crop in 1939 is estimated at 373,132,000 bushels, an increase of only 1,750,000 bushels over last year's production. Barley production is estimated at 99,209,000 bushels, representing a reduction of 3,033,000 bushels from last year's total. Oats and barley yields were appreciably reduced in Manitoba and Alberta this year because of the July heat and drought. Fall rye is estimated at 13,211,000 bushels and spring rye at 3,338,000 bushels with the total rye crop 50 per cent larger than a year ago. Heavier sowings of flaxseed, as well as of rye in the Prairie Provinces resulted in a Canadian flaxseed production of 2,294,000 bushels, an increase of 65 per cent over last year's production.

The main hay and clover crop is estimated at 13,078,000 tons, showing a reduction of 720,000 tons from last year's production. Small declines in hay and clover production occurred in all provinces this year, except Saskatchewan, Alberta and British Columbia.

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## Wheat Stocks in Store

Canadian wheat in store for the week ending September 8 amounted to 180,731,302 bushels compared with 142,999,827 in the previous week and 89,034,081 in the corresponding week last year. The amount of Canadian wheat in the United States was 7,330,000 bushels as against 7,207,000 bushels in the previous week.

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## Primary Movement of Wheat

Wheat receipts in the Prairie Provinces during the week ended September 8 amounted to 39,781,672 bushels compared with 35,156,393 in the previous week and 31,342,019 in the corresponding week last year. The totals were as follows by provinces, with figures for 1938 in brackets: Manitoba, 6,560,922 (6,220,460) bushels; Saskatchewan, 24,078,757 (15,134,968); Alberta, 9,141,993 (9,986,591).

Marketings in the three provinces for the six weeks ended September 8 aggregated 99,501,879 bushels compared with 78,777,705 in the corresponding period last year. The amounts were as follows: Manitoba, 32,011,100 (29,724,348) bushels; Saskatchewan, 48,083,302 (31,885,281); Alberta, 19,407,477 (17,168,076).

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## Production of Butter and Cheese

Canada's production of creamery butter in August totalled 33,828,360 pounds compared with 38,189,238 in the previous month and 35,180,766 in the corresponding month last year. Production during the eight months ended August aggregated 185,924,378 pounds in comparison with 187,263,961 in the same period of 1938, a decline of less than one per cent.

August production of factory cheese amounted to 20,160,672 pounds compared with 22,215,571 in July and 19,818,162 in August, 1938. The cumulative production for the first eight months of the year was 82,650,330 pounds compared with 78,389,844 in the same period of 1938, a gain of 5.4 per cent.

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## Storage Holdings on September 1

Storage holdings on September 1 of certain leading foods were as follows, with figures for September 1, 1938, in brackets: creamery butter, 54,975,936 (61,113,630) pounds; dairy butter, 291,177 (429,825); cheese, 52,507,421 (43,639,257); cold storage eggs, 7,861,333 (9,033,208) dozen; fresh eggs, 591,488 (567,475) dozen; frozen eggs, 6,009,041 (4,829,018) pounds; dressed poultry, 2,894,628 (2,909,239) pounds; pork, 25,919,044 (19,609,291); beef, 9,932,231 (9,331,414); veal, 3,733,649 (3,433,653); mutton and lamb, 844,485 (655,640); fish, 34,661,250 (29,956,538) pounds.

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### Consumption of Liquor

The estimated consumption of spirits in Canada during the fiscal year ended March 31, 1939, was 3,433,664 proof gallons, malt liquor 63,204,917 gallons and wines 3,461,867 gallons. These quantities were slightly lower than in the previous fiscal year, spirits totalling 3,486,266 proof gallons, malt liquors 67,161,168 gallons and wines 3,627,943 gallons.

The production of spirits totalled 9,642,830 proof gallons as compared with 10,198,330 the year before, and of malt liquors 63,331,620 gallons as against 67,361,250. Imports of spirits amounted to 1,265,909 gallons compared with 1,297,925, malt liquor 97,374 gallons against 104,778 and wines 450,953 gallons compared with 507,669.

Revenues from the manufacture and sale of liquor collected by the Dominion Government in the fiscal year 1939 amounted to \$25,165,450, exclusive of sales tax revenue, separate figures for which are not available. In the previous fiscal year the revenues totalled \$26,086,320.

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### August Exports of Coarse Grains

Exports of barley declined in August, amounting to 1,073,750 bushels valued at \$414,587 compared with 1,253,883 at \$643,336 in the corresponding month last year. Outward shipments of oats were heavier, the total being 1,009,105 bushels valued at \$307,632 compared with 701,748 at \$266,704. Rye shipments recorded a sharp advance to 501,469 bushels valued at \$184,539 from 146,533 at \$71,445 in August last year.

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### Reports Issued During the Week

1. Exports of Canadian Grains and Flour, August (10 cents).
  2. Canadian Grain Statistics (10 cents).
  3. The Control and Sale of Liquor in Canada (25 cents).
  4. Coal and Coko Statistics, July (10 cents).
  5. The Argentine Wheat Situation (10 cents).
  6. Security Prices and Foreign Exchange (10 cents).
  7. Trade of Canada by Months, January 1936 to July, 1939 (10 cents).
  8. Monthly Review of Business Statistics, August (10 cents).
  9. Coal Statistics, April, May and June, 1939 (10 cents).
  10. Index Numbers of Wholesale Prices (10 cents).
  11. Business Conditions in Canada during the first seven months, 1939 (10 cents).
  12. Silver, Lead and Zinc Production, June (10 cents).
  13. Operating Revenues, Expenses and Statistics of Railways, June (10 cents).
  14. Monthly Review of Dairy Production, August (10 cents).
  15. Car Loadings (10 cents).
  16. First Estimate of Yield of Principal Grain Crops and Hay and Clover.  
Condition of Late-sown Crops, Canada (10 cents).
  17. Stocks of Canadian Fruit and Vegetables, September 1 (10 cents).
  18. Cold Storage Holdings of Meat and Lard, September 1 (10 cents).
  19. Stocks of Dairy and Poultry Products, September 1 (10 cents).
  20. Storage Holdings of Fish, September 1 (10 cents).
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