WEEKLY BULLETIN

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Weekly Review of Economic Conditions

The factors showing the trend of economic conditions averaged lower in the first week of October, declines having been shown in carloadings and the adjusted index of bank clearings. Gains were shown in four factors used in this connection. Capitalized bond yields and common stock prices were at a lower level than in the same week of 1938, and the average of the six factors consequently showed a decline from that period.

The railway freight movement recorded further recession in the 39th week of the year. The index was 90.1 against 95.8 in the preceding week. Declines were shown in both the eastern and western divisions. The comparison with the first 39 weeks of 1938 was favourable, an increase of nearly 43,000 cars having been shown. Eight of the eleven commodity groups recorded increases in this comparison, the exceptions being pulp wood, merchandise l.c.l., and miscellaneous commodities.

Wholesale prices were slightly higher in the first week of October, the index advancing from 77.9 to 78.0. The standing one year ago was 74.2, an increase of 5.1 p.c. having been indicated. Recessions were general on the Winnipeg Exchange No. 1 Northern wheat receding from 70 5/8 to 69¼. The price of domestic copper at New York was advanced from 12 cents to 12½. Tin showed a declined from 60 cents to 55 cents, while lead and zinc were unchanged.

The high-grade bond market was firm in the week of October 5th, the average yield of the issues included in the index declining from 3.69 to 3.63. The index of 95 common stocks advanced from 100.1 to 101.1, four of the nine industrial groups recording increases. The index of 15 power and traction stocks rose from 54.5 to 56.1.

The weekly index, based on six economic factors, declined from 108.1 in the last week of September to 107.0 in the week under review, a decline of 1 p.c.. The standing was 109.5 one year ago, a decline of 2.3 p.c. being indicated.

Weekly Index with the Six Components

1926=100

Week Ended	Car loadings1	Wholesale Prices	Capitalized Bond Yields2	Bank Clearings3	Prices of Common Stocks	Shares Traded	Weekly Index4
Oct. 8, 1938	80.9	74.2	154.8	101.8	105.9	212.5	109.5
Sept. 30, 1939	95.8	77.9	131.4	112.6	100.1	210.9	108.1
Oct. 7, 1939	90.1	78.0	133.9	104.6	101.1	304.3	107.0

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.

Economic Conditions during First Eight Months of 1939

Economic conditions measured by significant factors were more favourable in the first eight months of the present year than in the same period of 1938. Wholesale and common stock prices averaged lower but the rally during September has altered the outlook. Recent weekly indexes indicate that the standing in commodity prices is considerably higher than one year ago.

Common stock prices rose sharply at the first of September but the gain was partially counterbalanced by later reactions. The index of common stock prices averaged 99.3 during the first eight months of the present year against 103.0 in the same period of 1938. High-grade bond prices showed further advances in the early months of 1939, but war conditions have had an adverse effect. Toward the latter part of September, high-grade bonds were at a lower level than for some years.

A strong liquid position was maintained by the chartered banks. The readily available assets averaged 10 p.c. higher than one year ago, while security holdings were nearly 4 p.c. greater, and an increase of 4½ p.c. was shown in the sum of the notice and demand deposits. An advance in current loans continued during the first eight months of the presentyear, averaging nearly 6 p.c. greater

The gain in business operations was a tangible factor in the improved economic conditions of the present year. The index of the physical volume of business averaged 117.9 against 109.8 during the same period of 1938, a gain of 7.4 p.c. Each of the five main divisions recorded advances in this comparison.

The index of mineral production rose from 192.9 to 214.4, a gain of more than 11 p.c. The increase in nickel exports was 16½ p.c. while a gain of 3.3 p.c. was shown in the outwardshipment of copper. The increase of gold shipments to the Mint and external points was nearly 13 p.c., the total in the first eight months of 1939 having been 3,381,464 fine ounces against 2,994,141. Silver shipments, on the other hand, showed a decline of more than 9 p.c. Coal production during the first eight months was 9.0 million tons against 8.7 million one year ago.

The index of manufacturing production rose 7.6 p.c. from 103.2 in the first eight months of last year to 111.0. The amount of sugar manufactured rose from 470.8 million lb. to 489.4, a gain of nearly 4 p.c. The cotton textile industry was more active, having used 74.5 million pounds of raw cotton against 71.6 million. Substantial gains were also shown in the operations of the forestry group. The output of newsprint rose more than 7 p.c. to 1,805,669 tons. The lumber industry was more active, exporting 1,363,000,-000 feet, a gain of 27½ p.c. Recent gains in the output of the primary iron and steel industry were not sufficient to counterbalance the deficit in the early months of the year. Steel ingot production was 813,000 long tons against 837,000 last year, a decline of nearly 3 p.c. The production of pig iron dropped from 505,000 tons to 422,000.

The imports of crude petroleum and rubber recorded considerable gain in the last eight months, while the output of automobiles was considerably lower. The output was 106,365 units against 117,617 in the same period of 1938. The construction industry was more successful in obtaining new business, the aggregate of contracts awarded recording a gain of 6 p.c. while building permits were 4.6 p.c. larger. The expansion in the electric power industry was continued, the output having been 18.2 billion k.w.h. against 16.8.

A constructive feature was the expansion in the export trade of the Dominion during the first eight months of the present year. The total was in excess of $670,000,000 against about $581,000,000, a gain of more than 15 p.c. Imports, on the other hand, showed a minor decline, the amount having been $442,000,000 against $450,000,000. The railway freight movement was slightly heavier, the total having been 1,536,000 cars against 1,528,000. The gross revenue of the Canadian lines of the Canadian National Railway recorded a gain of 3.8 p.c., while the gross revenue of the Canadian Pacific rose 2 p.c.

The general index of employment averaged, for the first nine reporting dates, slightly higher than in the same period of 1938. The index was 110.9 against 110.8 one year ago. Manufacturing and logging recorded declines while mining, construction and trade were at a higher position.

The table on page three illustrates the situation.

Statistics Illustrating the Economic Situation of Canada in Eight Months of 1939, compared with the same period of 1938.

Item	Unit or base period	First eight months of 1939	1938	Increase + Decrease -
				Per Cent
General Economic Situation				
Index of Physical Volume of Business	1926=100	117.9	109.8	+ 7.4
Index of Industrial Production	1926=100	120.3	110.9	+ 8.5
Wholesale Prices	1926=100	73.2	81.0	- 9.6
Index of Common Stock Prices	1926=100	99.3	103.0	- 3.6
Capitalized Bond Yields, Dominion	1926=100	162.2	157.3	+ 3.1
Mining Stock Prices	1926=100	153.5	144.1	+ 6.5
Bank Debits	$000	19,899,573	19,422,568	+ 2.5
Production and General Business				
Mineral Production	1926=100	214.4	192.9	+ 11.1
Copper Exports	Lbs.	371,614,400	359,798,300	+ 3.3
Nickel Exports	Lbs.	148,193,700	127,186,500	+ 16.5
Lead Production (7 mos.)	Lbs.	217,747,287	242,267,043	- 10.1
Zinc Exports	Lbs.	244,701,500	208,724,700	+ 17.2
Gold Shipments	Fine Ozs.	3,381,464	2,994,141	+ 12.9
Silver Shipments	Fine Ozs.	13,386,979	14,809,313	- 9.6
Coal Production	Tons	9,033,142	8,714,787	+ 3.7
Manufacturing Production	1926=100	111.0	103.2	+ 7.6
Flour Production (7 mos.)	Bbls.	7,927,853	6,439,851	+ 23.1
Sugar Manufactured	Lbs.	489,370,866	470,846,295	+ 3.9
Cattle Slaughterings	No.	1,026,249	1,032,002	- 0.6
Hog Slaughterings	No.	2,052,195	2,002,658	+ 2.5
Cigarettes Released	No.	4,689,887,982	4,539,360,639	+ 3.3
Cigars Released	No.	78,603,183	85,142,443	- 7.7
Leather Boots and Shoes (7 mos.)	Prs.	12,080,303	11,559,866	+ 4.5
Raw Cotton Consumption	Lbs.	74,467,729	71,561,565	+ 4.1
Paper and Lumber -				
Newsprint Production	Tons	1,805,669	1,682,720	+ 7.3
Exports of Planks and Boards	000 Ft.	1,363,405	1,069,207	+ 27.5
Iron and Steel -				
Steel Ingot Production	Long Tons	813,309	837,449	- 2.9
Pig Iron Production	Long Tons	422,028	504,873	- 16.4
Automobile and Allied Industries -				
Automobile Production	No.	106,365	117,617	- 9.6
Petroleum Imports	Gals.	801,568,000	745,321,181	+ 7.5
Crude Rubber Imports	Lbs.	40,749,357	35,465,910	+ 14.9
Construction -				
Contracts Awarded	$	131,402,800	123,926,800	+ 6.0
Building Permits	$	39,556,343	37,825,791	+ 4.6
Electric Power Production	000 K.W.H.	18,239,617	16,777,052	+ 8.7
External Trade -				
Exports	$	670,023,411	580,937,398	+ 15.3
Imports	$	442,367,448	449,541,032	- 1.6
Railways -				
Carloadings	No.	1,535,837	1,527,888	+ 0.5
Gross Revenue C.N.R. (Can.Lines)	$	100,407,000	96,690,000	+ 3.8
Gross Revenue C.P.R.	$	86,563,545	84,885,237	+ 2.0
Employment - 9 Months' average, unadjusted				
General Index	1926=100	110.9	110.8	+ 0.1
Manufacturing		109.3	111.0	- 1.5
Logging		93.7	148.6	- 36.9
Mining		161.5	153.7	+ 5.1
Construction		112.6	98.4	+ 14.4
Building		56.0	54.8	+ 2.2
Highway		223.7	180.2	+ 24.1
Trade		135.1	131.3	+ 2.9
Banking - 8 Months' Average				
Notice and Demand Deposits	$	2,388,790,800	2,286,252,000	+ 4.5
Readily Available Assets	$	1,755,995,000	1,595,477,500	+ 10.1
Current Loans	$	809,671,537	764,153,288	+ 5.8
Call Loans - Canada	$	55,138,823	68,203,443	- 19.2
Elsewhere	$	47,501,946	52,724,229	- 9.9
Security Holdings	$	1,500,921,360	1,444,555,875	+ 3.9

39 factors advanced
14 " declined.

Canada's Imports in August

With the publication of the August imports by Canada from the various countries of the world, there draws almost to a close the record of commerce of the Dominion prior to the outbreak of hostilities in Europe, so that the August figures show that commerce in its peace-time complexion. As a guide, therefore, to trade conditions prior to the war, the imports from countries within and without the British Empire are given below in more detail than is usually to be found in the Weekly Bulletin.

The total imports to Canada in August amounted to $62,708,079 compared with $57,026,268 in August, 1938. Imports from the Empire and other countries showed an increase. From the Empire they rose to $17,309,065 from $15,960,585, and from other countries to $45,399,014 from $41,065,683.

It should be remembered that while Canada has important commercial relations with almost all countries of the world, her trade with the United Kingdom and the United States is very considerably in excess of that with all other countries. In August the imports from the United Kingdom amounted to $10,864,871 compared with $10,371,781, and from the United States $39,383,830 compared with $35,263,952.

The imports from other Empire countries in August were as follows, with the figures of a year ago in brackets: Eire, $365 ($581); Burma, $69,541 ($23,844); Aden, $57 (nil); British East Africa $182,955 ($59,424); British South Africa, $518,546 ($56,915); Southern Rhodesia, $22 ($734); Gold Coast, $6,591 ($12,559); Nigeria, $612 ($4,986); Sierra Leone, $676 (nil); Bermuda, $3,088 ($2,289); British India, $822,384 ($515,145); Ceylon, $349,536 ($294,602); Straits Settlements, $883,717 ($804,468); other British East Indies, $5,736 ($4,635); British Guiana, $586,454 ($401,414); British Honduras, $2,039 ($1,243); British Sudan, $2,304 ($8,177); Barbados, $671,151 ($38,624); Jamaica, $613,364 ($1,489,474); Trinidad and Tobago, $229,893 ($209,089); other British West Indies, $171,994 ($203,161); Hong Kong, $46,918 ($52,417); Malta, $1,401 (nil); Newfoundland, $151,274 ($342,859); Australia, $721,983 ($526,848); Fiji, $326,819 ($336,057); New Zealand, $73,182 ($198,295); Palestine, $1,592 ($964).

Imports from other countries were: Argentina, $372,991 ($69,566); Belgium, $660,135 ($464,313); Brazil, $124,495 ($131,446); Bulgaria, $627 ($129); Chile, $10,916 (nil); China, $138,050 ($170,826); Colombia, $435,510 ($626,313); Costa Rica, $6,737 ($7,334); Cuba, $25,541 ($43,452); Czecho-Slovakia, nil ($297,804); Denmark, $13,057 ($16,620); Greenland, nil ($1,984); Ecuador, $383 ($2,952); Egypt, $63,451 ($17,091); Estonia, $2,095 ($1,472); Finland, $7,335 ($6,722); France, $813,065 ($543,133); French Africa, $4,384 ($8,693); French East Indies, $6,587 ($19,019); French Guiana, $462 (nil); Germany, $1,006,593 ($1,037,117); Madagascar, $1,372 (nil); St. Pierre and Miquelon, $1,405 ($518); Greece, $5,047 ($1,164); Guatemala, $12,015 ($3,343); Haiti, $80 ($7,782); Honduras, $325 (nil); Hungary, $13,031 ($9,911).

Iceland, $66 ($50); Iraq, $6,921 ($2,706); Italy, $146,030 ($198,151); Japan, $414,203 ($404,884); Latvia, $699 ($2,149); Mexico, $6,105 ($3,095); Morocco, $2,706 ($15,672); Netherlands, $373,157 ($392,007); Dutch East Indies, $56,832 ($69,796); Norway, $48,782 ($57,617); Panama, $23,793 (nil); Paraguay, $3,597 (nil); Persia, $8,416 ($10,660); Peru, $2,461 ($305,165); Poland and Danzig, $23,558 ($19,620); Portugal, $15,526 ($27,417); Azores and Madeira, $14,855 ($18,345); Portuguese Africa, $388 (nil); Roumania, $3,026 ($3,530); Russia, $77,789 ($45,689); Salvador, $8,641 ($2,476); Siam, $50 (nil); Spain, $63,620 ($35,790); Canary Islands, $926 ($1,325); Sweden, $203,013 ($147,374); Switzerland, $294,144 ($254,452).

Turkey, $21,896 ($25,379); Alaska, $15,437 ($2,614); American Virgin Islands, $52 (nil); Hawaii, $34,080 ($18,403); Philippines, $30,544 ($16,974); Porto Rico, $48 ($1,232); Uruguay, $5,095 ($25,359); Venezuela, $379,991 ($201,053); Yugoslavia, $3,048 ($4,043).

Character of August Imports

With increases being recorded in eight of the nine main commodity groups, Canada's August imports advanced to $62,708,000 from $57,026,000 in August, 1938. Agricultural and vegetable products were worth $9,488,000 compared with $9,652,000, animals and products $2,591,000 compared with $2,018,000, fibres, textiles and textile products $7,558,000 compared with $7,015,000, wood, wood products and paper $2,728,000 compared with $2,726,000, iron and its products $15,854,000 compared with $13,830,000, non-ferrous metal products $3,522,000 compared with $2,848,000, non-metallic mineral products, $11,548,000 compared with $11,462,000, chemicals and allied products $3,154,000 compared with $2,890,000, and miscellaneous commodities $6,265,000 compared with $4,585,000.

Imports of Vegetable Oils

There was a considerable falling-off in August in the value of imported vegetable oils, the value being $533,336 as compared with $824,017 in July and $1,022,025 in August, 1938. The total for the first eight months of 1939 was $5,592,869 compared with $8,530,868 in the same period of 1938.

The most marked decline in August was recorded in imported peanut oil, the value of that commodigy falling to $60,972 from $402,388 in August last year. Cocoanut oil was also somewhat lower at $43,013 compared with $116,061. Olive oil was worth $46,125 against $62,139, palm and palm kernel $124,538 against $198,349, essential oil $75,731 against $52,518, cotton seed $52,364 against $50,826 and perilla $18,768 against $21,480.

Imports and Exports of Hides and Skins

Advance was shown in August in the imports of hides and skins, the quantity being 29,362 cwt. compared with 25,843 in July and 19,917 in August, 1938. Cattle hides accounted for 22,056 cwt. and sheep skins 4,469. Imports during the eight months ended August increased to 215,096 cwt. from 140,475 in the same period of 1938.

Domestic exports of hides and skins in August totalled 34,315 cwt. compared with 46,621 in July and 31,267 in August, 1938. The total of cattle hides was 28,047 cwt. Exports during the eight months ended August were sharply higher, aggregating 319,365 cwt. compared with 195,150 a year ago.

Imports of Tea and Coffee

Canada imported 3,343,805 pounds of chicory and coffee and 2,222,543 pounds of tea in August. In the previous month coffee imports totalled 2,808,032 pounds and in August, 1938, 2,870,311 pounds were imported. Tea imports in July were 1,437,428 pounds and in August last year, 2,558,648 pounds.

Heavier imports of chicory and coffee and tea were made during the eight months ended August, the former totalling 32,808,564 pounds compared with 30,607,235 a year ago, and the latter 26,145,433 pounds as compared with 23,630,026.

Exports of Asbestos

Exports of Canadian asbestos in August totalled 14,125 tons valued at $905,799 compared with 14,450 at $940,194 in July and 12,759 at $919,903 in August, 1938. The United States took 6,479 tons, the United Kingdom 3,065, Japan 1,071, Germany 985, Belgium 820 and Australia 738.

Asbestos sand and waste exports aggregated 15,608 tons worth $274,391 compared with 12,997 at $239,979 in July and 11,517 at $208,397 in August, 1938. The United States took the bulk at 14,363 tons, with amounts also going to the United Kingdom, Germany, Belgium and France.

Imported Meats

Although Canada's August import of meats was lower than in July, the amount was somewhat in advance of August last year. The total for August this year was $399,035 compared with $683,250 in July and $155,671 in August, 1938. Eight-month imports were sharply higher, totalling $2,775,793 compared with $969,308 in the corresponding period last year.

Imported Cheese

August imports of cheese totalled 47,822 pounds, of which Switzerland contributed 22,503 pounds, Netherlands 5,799, Italy 5,745, United States 5,121, United Kingdom 2,537, Argentina 2,224 and France 2,036. Imports in July amounted to 54,844 pounds and in August last year, 68,827.

Wheat Stocks in Store

A further increase was recorded in the amount of Canadian wheat in store during the week ending October 6, the total being 306,364,655 bushels compared with 286,426,861 in the previous week and 165,412,104 in the corresponding week last year. The amount of Canadian wheat in the United States was 14,441,000 bushels compared with 11,586,000 the week before and 3,298,000 a year ago.

Export Clearances of Wheat

Overseas export clearances of wheat from Canadian and United States ports amounted to 2,548,013 bushels during the week ended October 6, while imports into the United States for consumption and milling in bond were 123,000 bushels, making a total of 2,671,013 bushels. This compares with 4,887,709 bushels for the corresponding week last year.

The accumulated total of export clearances for the period August 1 to October 6 was 23,249,805 bushels and the imports into the United States were 1,412,000 bushels, amounting in all to 24,661,805 bushels compared with 25,724,397 a year ago.

Primary Movement of Wheat

Wheat receipts in the Prairie Provinces for the week ending October 6 amounted to 19,144,278 bushels compared with 43,761,420 in the previous week and 21,443,468 in the corresponding week last year. By provinces the receipts were as follows, with figures for 1938 in brackets: Manitoba, 755,718 (856,033) bushels; Saskatchewan, 12,184,673 (8,883,800); Alberta, 6,203,887 (11,703,635).

Marketings in the three provinces during the ten weeks ended October 6 aggregated 245,781,422 bushels as compared with 183,335,986 in the corresponding period of the previous crop year. The totals were as follows: Manitoba, 45,579,076 (36,297,409) bushels; Saskatchewan, 139,560,348 (73,662,187); Alberta, 60,641,998 (73,376,390).

Feed Supplies for 1939-40

Supplies of feed grains in Canada for 1939-40 are somewhat greater than a year ago and the most evenly distributed in a number of years. Increased production together with larger stocks has resulted in a supply of 11.8 million tons compared with 10.9 million at the beginning of last season. These are the largest supplies recorded since the 1930-31 season. Although the number of grain-consuming animals is higher than a year ago, the increase in supplies of feed grains has been greater. Supplies per grain-consuming animal for 1939-40 are estimated at 0.74 tons compared with 0.72 tons in 1938-39.

Any increase in flour production during 1939-40 will make available larger supplies of millfeeds. The output of millfeeds in 1938-39 was the largest since 1930-31. For 1939-40, prospects point to at least as large an output as in 1938-39.

While the 1939 production of hay and clover fell below 1938, increases in production of other fodder crops partly offset this decline. Fodder supplies per hay-consuming animal for 1939-40 are estimated at 2.02 tons compared with 2.07 in 1938. Fodder production in the Western Provinces in 1939 was greater than in 1938, but lower yields of hay and clover were obtained in the Central and Maritime Provinces.

Feed prices advanced sharply in the first two weeks of September but lately have shown a tendency to decline. In September, feed prices averaged 32 per cent higher than in August. While the advance in live-stock prices has not been as great, rising only 12 per cent from August to September, the relationship between live stock and feed grain prices is still relatively favourable to the live stock producer.

Estimate of Late Crops

The Canadian farmer has done a good job of replenishing the national larder, according to the first estimate of late crops, a matter of extreme importance with Canada at war.

The 1939 potato crop is estimated at 38,875,000 cwt., representing a gain of eight per cent over last year's small production of 36,938,000, turnips and mangolds, etc., 37,158,000 cwt. compared with 38,160,000, mixed grains 42,609,000 bushels against

39,161,000, husking corn 7,566,000 bushels against 7,690,000, peas 1,309,000 bushels against 1,365,000, beans 1,447,000 bushels compared with 1,557,000, fodder corn 4,352,900 tons compared with 4,412,800, alfalfa 2,264,000 tons compared with 2,061,000.

Sugar beet production aggregated 628,000 tons, an increase of 19 per cent over last year's production of 527,000. This year's crop establishes a new record for Canadian sugar beet production.

Production of Butter and Cheese

Production of creamery butter in Canada during September amounted to 29,596,859 pounds as compared with 33,928,273 in August and 30,271,771 in September, 1938. The total for the first nine months of 1939 was 215,621,150 pounds as compared with 217,535,732 in the same period of 1938.

Output of factory cheese in September totalled 17,927,643 pounds as compared with 20,437,938 in August and 18,421,475 in September last year, while the total for the first nine months of the year was 100,855,239 pounds as against 96,811,317 in the nine months of 1938.

Romance of Soya Bean

The products of the linseed and soya bean oil industry last year were of a factory value of $3,681,000, which was somewhat less than in 1937. These products are mainly raw linseed oil, boiled linseed oil, special linseed oil, linseed oil cake, linseed oil cake meal, linseed meal, soya bean products and soap.

It is within the last decade that the soya bean has been cultivated in Canada, but our imports are still considerably in excess of what we grow ourselves. Last year we imported 1,831,000 pounds of soya beans exclusive of cake, flour and meal, oil for soap and other soya bean products. In Canada there are about 10,000 acres under soya bean cultivation, practically all of it in Ontario.

There is a special romance in the soya bean; the discoveries of new uses is a remarkable chemical and metallurgical feat. From the humble soya bean of tropical Asia have been manufactured window frames, gear shift knobs, horn buttons and electrical parts for automobiles. It also goes into automobile enamel. People were thrilled when we began to make vegetable ivory from nuts got in Brazil, to take the place of the rapidly diminishing supply of natural ivory, but the interest in the soya bean discoveries is even greater. How far it will go in taking the place of steel is a question.

It is said that the cost of soya bean plastics is greater than steel per pound but the finishing of steel brings the final cost of many steel parts in excess of that for the finished product manufactured from the soya bean material.

The soya bean has a great variety of uses. It is a source of oil for margarine and soap. In Japan they make from it concentrated milk, flour and piquant sauce; in China, flour, milk, bread and cheese; in Cochin-China milk, cheese and casein.

Added Importance of Canned Food

With Canada at war, the canned food industry becomes of increased importance. Its development in the Dominion since the beginning of the century has been remarkable. In 1900 the total value did not exceed $8,250,000, whilst in 1930 it had increased to more than $55,000,000 or six and one-half times as much. In 1933 the value of production dropped to $33,000,000, and rose again to nearly $55,000,000 in 1936 and to $62,194,905 in 1937.

The principal commodities used in the canning industry are fish, fruits and vegetables, milk and meats, whilst the industry itself forms an adjunct of considerable importance to other industries, notably the tin can industry, the wooden box industry and the paper and printing industries. The development of the canned foods trade has effected great changes in the relation of foods to seasons. Fruits and vegetables of many kinds are to be had at all times of the year, not always with the flavour of the freshly gathered product, but with much of their original freshness and flavour. The producers in the country are provided with an enormously extended market, and the consumer in both city and country with cheap and wholesome food in great variety. The consumer is also protected by the inspection services of the Department of Agriculture and the Department of Fisheries, Ottawa.

The gross value of production in 1937 was almost $78,000,000 at factory prices, and the exports in that year aggregated about $20,000,000.

Cost of Living

Moderate reductions in the prices of a few of the more important foods, partially offset by advances in clothing and fuel, resulted in a decline in the Canadian cost of living index number from 83.0 on August 1 to 82.9 on September 1. The food index fell from 74.9 to 74.2, easier prices for beef, pork, mutton, onions and potatoes being of more consequence than a lengthier list of gains which included veal, eggs, milk, butter, granulated sugar and prunes.

For the first time in more than a year clothing prices recorded an advance, the index for the September quarter being 73.1 as compared with 72.6 for the previous quarter. Higher prices for women's clothing and yard materials were responsible mainly for the upward movement. The fuel index changed from 83.7 to 83.8 following seasonal advances in coke prices in a few centres.

Retail Merchandise Trade in the Prairie Provinces

There was an increase of two per cent over 1937 in the dollar value of the retail trade of the Prairie Provinces in 1938, compared with an increase of 5.6 per cent in 1937 over 1936 and an increase of 7.8 per cent in 1936 over 1935. The value of retail sales amounted to $451,490,000 in 1938 compared with $442,827,000 in 1937, $419,329,000 in 1936 and $389,166,000 in 1935. Retail sales for 1930, the first year for which these trade figures are available, amounted to $554,962,100.

The improvement in retail sales was not shared throughout the Prairie Provinces, however, but was practically confined to Alberta, the change over the previous year's sales being negligible in Manitoba and Saskatchewan. Manitoba sales, which had recorded substantial gains in the four previous years, declined 0.3 per cent in 1938, the index falling to 84.9 compared with 85.2 for 1937. Saskatchewan sales, on the other hand, which had declined in 1937, improved 0.1 per cent, the index rising from 68.3 to 68.4. Alberta sales advanced 6.0 per cent over 1937, bringing the sales index for that province to 91.5 compared with 86.3 for the previous year.

Production of Coal and Coke

Canada's coal production in August totalled 1,238,171 tons as compared with 1,012,901 in August last year, while the five-year average for the month was 1,079,158 tons. During the month, 1,072,362 tons of bituminous coal were produced, along with 24,274 tons of sub-bituminous and 141,535 tons of lignite. The cumulative production of coal for the eight months ended Augst aggregated 9,110,947 tons as compared with 8,770,014 in the same period of 1938.

Canada imported 1,628,296 tons of coal in August compared with 1,463,919 in August, 1938, and 1,553,279, the average for the month during the past five years. Anthracite coal imports totalled 342,840 tons, of which the United States contributed 144,173 tons, Great Britain 134,191 and Germany 64,476. Receipts of bituminous coal consisted of 1,276,820 tons from the United States and 8,556 from Great Britain.

Exports of Canadian coal declined to 25,042 tons from August, 1938, total of 34,522. Coal made available for consumption in August was estimated at 2,841,425 tons compared with 2,442,298 a year ago.

Production of 190,723 tons of coke in August compares with 189,254 in July and 182,368 tons in August, 1938. The eight-month output aggregated 1,502,790 tons as compared with 1,614,427 tons for the period ending August 31, 1938.

German Note Circulation

The notes of the German Reichsbank in circulation at the end of August, 1939, amounted, according to the League of Nations Monthly Bulletin of Statistics, to 10,907,000,000 Reichsmarks, as compared with 8,989,000,000 Reichsmarks at the end of July, 1939, and 6,869,000,000 Reichsmarks at August 31, 1938. Thus there has been an increase of 1,918,000,000 Reichsmarks in the note circulation of Germany during the single month of August and of 4,038,000,000 Reichsmarks in the last twelve months. Since the par value of the Reichsmark is approximately 40 cents, this means that the

equivalent of $767,000,000 of our money was injected into the German currency in the single month of August, 1939. This obviously means that Germany is resorting freely to the printing press for the purpose of financing the war. The effects of this policy will inevitably be felt in the depreciation of German currency and drastic rises in the prices of uncontrolled commodities.

Reports Issued During the Week

1. Operating Results of the Wholesale Dry Goods Trade in Canada, 1938 (25 cents).
2. Security Prices and Foreign Exchange (10 cents).
3. Car Loadings (10 cents).
4. The Musical Instrument Industry, 1938 (15 cents).
5. The Linseed and Soybean Oil Industry, 1938 (15 cents).
6. Business Conditions in Canada during the Eight Months ended September (10 cents).
7. Coal and Coke Statistics, August (10 cents).
8. Canned Food Production, 1937 (15 cents).
9. Cold Storage Holdings of Meat and Lard, October 1 (10 cents).
10. Stocks of Canadian Fruit and Vegetables, October 1 (10 cents).
11. Stocks of Dairy and Poultry Products, October 1 (10 cents).
12. Storage Holdings of Fish, October 1 (10 cents).
13. Monthly Review of Dairy Production, September (10 cents).
14. Feed Supplies for 1939-40 (10 cents).
15. Canadian Grain Statistics (10 cents).
16. Trade of Canada, July (10 cents).
17. Production of Leather Footwear, August (10 cents).
18. Imports of Milk and Its Products and Eggs, August (10 cents).
19. Imports of Living Animals, August (10 cents).
20. Imports of Meats, Lard and Sausage Casings, August (10 cents).
21. The Asbestos Trade of Canada, August (10 cents).
22. Imports of Coffee and Tea, August (10 cents).
23. Imports and Exports of Hides and Skins, August (10 cents).
24. Imports and Exports of Vegetable Oils, August (10 cents).
25. Weekly Index Numbers of Wholesale Prices (10 cents).
26. Retail Merchandise Trade in the Prairie Provinces, 1938 (10 cents).
27. Price Movements, September (10 cents).
28. Summary of Canada's Imports, August (10 cents).
29. Canadian Abridged Life Tables (50 cents).
30. First Estimate of Yield of Root and Fodder Crops (10 cents).
