WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce

Vol. VII - No. 6 Ottawa, Saturday, February 11, 1939 Price $1.00 per year

Weekly Review of Economic Conditions

Two of the six factors indicating the trend of economic conditions showed recession in the week of February 4th. Carloadings and capitalized bond yields reached a lower position, while wholesale prices were fully maintained. Gains were recorded in bank clearings, common stock prices and speculative trading. Two of the six factors recorded an increase over the same week of 1938, advances being recorded in capitalized bond yields and speculative trading. Carloadings and wholesale prices showed declines of 9.6 per cent and 12.4 per cent, respectively.

A further gain was shown in gold mining activity in the first month of the year. Receipts of gold at the Mint were greater than in any other month in history. The total was 419,189 fine ounces against 338,400 ounces in the same month of last year. Increased shipments were received from each of the five provinces participating in the industry. Shipments from Ontario mines amounted to 262,838 ounces, a gain of 19 per cent over the same month of last year. A slightly greater percentage gain was shown by the mining companies of Quebec, the total last month having been 91,852 ounces.

A further gain was shown in notice deposits at the end of 1938, the total having been $1,659.6 million against $1,582.8 million on the same date of the preceding year. Current loans rose from $749 million to $806 million. Due to the greater rise in notice deposits the surplus over current loans rose from $834 million to $853 million.

The railway freight movement during the first four weeks of the year showed a decline of 21,884 cars from the same period of the preceding year. Increases were recorded in the movement of grain, coke and lumber, while the eight other commodity groups showed decline. The cars received from connections were 668 greater in the same comparison. The decline in the index of carloadings in the fourth week of the year from the preceding week was due to recession in the Eastern Division, a slight increase having been shown in the West.

The index of the prices of 567 commodities was unchanged in the week of February 3rd, the standing having been 73.2. Gains were recorded in crop products and non-ferrous metals, as well as in manufacturing materials and food materials. Livestock prices were strong on the Toronto stockyards, medium steers and bacon hogs advancing to a higher position. A significant development of the week was the advance in such speculative commodities as raw silk and cocoa.

Electrolytic copper in London remained unchanged on February 7th as compared with the last day of the preceding month. Declines, however, were shown in tin, lead and zinc. Metal prices were relatively steady on the New York metal exchange, export copper having been quoted at 10.3 cents, unchanged from one week ago.

High-grade bond prices reacted in the week ended February 2nd, but the decline has since been counterbalanced by sharp recovery. The 4½'s of 1947-57 were 111¼ on the 7th against 110¼ on January 31st, and other prominent issues also recorded an important advance. Investors showed returning confidence as political unsettlement was somewhat allayed by the more moderate and conciliatory utterances of world leaders. The rally of moderate proportions in common stock prices followed the sharp reaction of the preceding week, the index rising one point to 101.1.

The weekly index, based on the above-mentioned factors, rose from 107.3 to 107.5 in the week under review, a gain of 0.2 per cent. The increase was mainly attributable to gains in bank clearings, common stock prices and speculative trading. The standing in the same week of 1938 was 109.6, a decline of about two per cent having been 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]
Feb. 5, 1938	79.9	83.6	150.6	100.9	105.9	95.1	109.6
Jan. 28, 1939	74.1	73.2	160.8	93.7	100.1	122.0	107.3
Feb. 4, 1939	72.3	73.2	157.7	100.5	101.1	179.3	107.5

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 weight 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.

Domestic Exports in January

Canada opened the New Year with a substantial increase in domestic exports. The value of the January export trade was $81,046,000 compared with $69,477,000 in the previous month and $71,022,000 in January, 1938. Foreign commodities were exported to the value of $727,101 compared with $971,275 in December and $1,212,339 in January last year.

The principal domestic exports in January were as follows, with figures for January, 1938, in brackets: newsprint, $8,290,258 ($6,816,828); unmanufactured nickel, $4,882,265 ($5,578,610); wheat, $4,646,437 ($8,922,395); furs, $4,098,769 ($3,607,379); automobiles and parts, $3,737,064 ($2,345,919); partially manufactured copper, $3,360,424 ($3,889,641); planks and boards, $3,248,707 ($2,487,255); meats, $3,144,865 ($3,717,385); fish, $2,612,486 ($2,537,078); wood pulp, $2,227,779 ($2,149,823); wheat flour, $1,172,324 ($1,692,033); cheese, $188,381 ($62,857).

Domestic exports during the ten months ended January aggregated $789,085,525 compared with $935,853,799 in the corresponding period of the previous fiscal year. Foreign exports totalled $41,086,561 compared with $12,874,142.

Leading domestic exports during the ten months ended January were as follows, with corresponding totals for 1937-38 in brackets: newspring, $91,438,636 ($105,357,714); wheat, $76,975,620 ($108,131,473); partially manufactured copper, $43,872,497 ($48,226,366); unmanufactured nickel, $40,146,562 ($50,265,090); planks and boards, $31,218,946 ($38,232,922); meats, $29,569,219 ($35,195,713); wood pulp, $22,518,923 ($34,670,407); fish, $22,309,135 ($23,326,349); automobiles and parts, $19,982,178 ($21,967,408); wheat flour, $13,780,668 ($19,884,000); cheese, $11,782,169 ($12,720,990); furs, $11,101,967 ($11,344,471).

January Exports of Wheat and Flour

Domestic exports of wheat and wheat flour in January were higher in quantity but lower in value than in January last year. Wheat exports totalled 7,878,963 bushels valued at $4,646,437 compared with 7,193,986 at $8,922,395, the average export price declining to 59 cents from $1.24. Wheat flour exports aggregated 379,538 barrels valued at $1,172,324 compared with 295,776 worth $1,692,033 in January, 1938; the average export price was $3.09 compared with $5.72.

Aluminum Exports in 1938

Canada's exports of aluminum in 1938 reached an all-time high of $24,732,887. This was 28 per cent more than the 1937 export record of $18,623,475. In pounds, Canadian exports went up from 101,099,900 in 1937 to 132,267,300 in 1938, an increase of 31 per cent.

The Canadian aluminum industry depends almost wholly upon exports for its existence. Its sales in the Dominion were only 7.4 per cent of all sales during 1938.

Of all Canada's 1938 aluminum exports, the United Kingdom took 59.5 per cent, valued at $12,198,726. The remaining 40.5 per cent was absorbed by 59 different Empire and foreign countries.

Imports and Exports of Fertilizers

Improvement was noted in the 1938 valuation of imported fertilizers, aggregating $4,526,419 in comparison with $3,993,659 in 1937. During the last month of the year the value was $432,619 as against $843,697 in November and $345,005 in December, 1937.

Domestic exports were also higher, totalling $7,481,996 in 1938 as compared with

$7,158,022 in 1937. Cyanamid exports amounted to $3,143,238, and ammonium sulphate $1,697,204. In December the value of exports was $494,969 as against $623,438 in November and $464,438 in December, 1937.

Imports and Exports of Fresh Vegetables

Canada imported fresh vegetables to the value of $5,325,818 in 1938 in comparison with $5,504,572 in 1937. The chief varieties were as follows: tomatoes, $1,301,253; lettuce, $861,012; celery, $500,421; onions, $504,166; green beans, $299,463; cabbage, $275,404; carrots, $333,153; spinach, $140,063; sweet potatoes, $137,300; green peas, $125,080; cucumbers, $95,984. Canned vegetables were imported to the value of $269,496 in 1938 in comparison with $259,707 in 1937. Asparagus was worth $26,976, beans $36,717, mushrooms and truffles $48,545, tomatoes $72,506.

Domestic exports of fresh vegetables, exclusive of seed potatoes amounted in 1938 to the value of $1,442,932 in comparison with $1,564,785 in 1937. Turnips accounted for a total of $817,867. Canned vegetables were exported to the value of $3,151,947 as against $2,685,240 in 1937. Tomato paste, pulp and puree was worth $930,091, baked beans $439,512, tomatoes $1,295,039.

Overseas Export Clearances of Wheat

An advance was recorded in the amount of wheat cleared for export overseas during the week ending February 3, the total being 2,690,034 bushels in comparison with 1,606,337 in the previous week and 1,194,659 in the corresponding week last year. Improvement was also shown in the amount imported into the United States for consumption and milling in bond for re-export, totalling 228,000 bushels compared with 217,000 the week before and 2,000 a year ago. The amounts cleared by ports follow, with figures for 1938 in brackets: Vancouver-New Westminster, 1,943,087 (320,633) bushels; United States Ports, 553,452 (300,761); Saint John, 192,564 (573,225); Montreal, 931 (40).

A large increase was shown in the amount of wheat cleared during the 27 weeks ended February 3, the total being 79,006,030 bushels compared with 48,543,328 in the corresponding period of the previous crop year, a gain of 30,462,702 bushels. Imports into the United States aggregated 4,597,031 bushels compared with 1,969,606. The clearances follow by ports, with figures for the corresponding period of the previous crop year in brackets: Montreal, 31,190,945 (22,543,304) bushels; Vancouver-New Westminster, 22,498,333 (6,243,569); Sorel, 9,414,308 (2,476,039); United States Ports, 7,620,246 (9,561,837); Three Rivers, 6,022,221 (420,811); Saint John, 1,071,585 (5,840,395); Churchill, 916,913 (603,982); Victoria, 159,413 (nil); Fort William and Port Arthur, 112,066 (114,375); Prince Rupert, nil (619,061); Halifax, nil (119,955).

Primary Movement of Wheat

Receipts of wheat in the Prairie Provinces during the week ended February 3 amounted to 998,272 bushels compared with 1,209,937 in the previous week and 572,589 in the corresponding week last year. The amounts follow by provinces, with figures for 1938 in brackets: Manitoba, 87,429 (92,500) bushels; Saskatchewan, 329,499 (131,655); Alberta, 581,344 (348,434).

Marketings in the three provinces for the twenty-seven weeks ending February 3 aggregated 259,542,621 bushels compared with 104,434,217 in the corresponding period of the previous crop year. The totals follow by provinces: Manitoba, 40,601,476 (33,097,054) bushels; Saskatchewan, 103,556,887 (22,120,554); Alberta, 115,384,253 (49,216,609).

Stocks of Wheat in Store

Canadian wheat in store for the week ending February 3 amounted to 156,621,798 bushels compared with 159,969,258 in the previous week and 52,210,581 in the corresponding week last year. Wheat in rail transit totalled 2,578,477 bushels compared with 2,189,518 a year ago. The amount of Canadian wheat in store in the United States was 6,246,000 bushels compared with 6,645,000 the week before and 2,883,000 a year ago.

Stocks of Unmanufactured Tobacco

The stocks of unmanufactured tobacco on hand at the close of 1938 aggregated 74,740,171 pounds, of which 67,779,854 was Canadian tobacco and 6,960,317 was imported. On December 31, 1937, the stocks totalled 54,332,443 pounds, 47,335,460 pounds of which was Canadian and the remainder imported.

Production of Creamery Butter

Canada's production of creamery butter in January amounted to 9,747,782 pounds compared with 11,247,322 in the previous month and 8,367,468 in the corresponding month last year. Increases over January 1938 were recorded in all provinces, with the exception of Nova Scotia.

According to preliminary figures, Canada's production of creamery butter during 1938 aggregated 266,886,883 pounds compared with 246,387,259 in 1937. The amounts follow by months, with 1937 figures in brackets: January, 8,367,468 (8,932,907) pounds; February, 7,612,102 (7,615,695); March, 10,161,091 (9,683,033); April, 16,434,225 (15,256,072); May, 28,962,502 (24,765,556); June, 41,763,804 (38,258,922); July, 38,782,003 (35,916,043); August, 35,180,766 (31,643,332); September, 30,271,771 (29,092,478); October, 23,438,264 (22,144,824); November, 14,665,565 (13,263,918); December, 11,247,332 (9,823,479).

Production of Cheese

Production of cheese in January amounted to 1,271,765 pounds in comparison with 2,077,613 in December and 683,889 in January, 1938. Saskatchewan was the only producing area to record a decline from January last year.

Review of Dairy Situation - Autumn Quarter

The creamery butter position as at the end of November contained three significant features. Prices were low, the average for September, October and November being 22 5/8 cents for the first grade product at Montreal as compared with 28 1/8 cents in 1937 and 24 5/8 cents in the June-August period of 1938. Yet despite reduced prices, the abundant food supplies, good pastures, and open weather conditions advanced the production during the autumn period to 68,300,000 pounds, an increase of six per cent over the same period of 1937; while stocks that had reached the all-time high of 65,100,000 pounds (storage and transit holdings combined) on October 1, still held at 53,600,000 pounds at the end of the period. Finally, although the domestic disappearance of butter rose nearly two per cent over the September - November period of the preceding year, the net exports represented a decline of half a million pounds from 1937, and the estimated surplus which had stood at 14,700,000 pounds at the beginning of the period was virtually unchanged.

The cheese position was affected in the autumn period by the decline in butter prices from last year as compared with an increase in cheese prices for the first two months of the period. The average price for first grade Ontario coloured cheese at Montreal was 13 7/8 cents, only one-half cent less than in 1937. Consequently, cheese production, which had lagged behind the 1937 output up to the end of September, increased four per cent in October and 61.5 per cent in November; and the September - November production of 40,500,000 pounds was over four per cent above the output for the three-month period of the previous year.

The total disappearance of domestic stocks, amounting to 51,500,000 pounds in the three autumn months, represented a decline of 3.4 per cent from the same period of the previous year. This was due to a fall in exports from 45,200,000 pounds to 38,700,000. Hence, stocks that had fallen 2.2 per cent below the 1937 level on September 1, advanced to 30,300,000 pounds on December 1, 1938, an increase of 9.6 per cent over those shown at the same date the year before. Cheese imports were slightly lower than those reported in the same period of 1937.

The production of concentrated milk products reached a total of 33,300,000 pounds, 72 per cent of which represented whole milk products and 28 per cent milk by-products. The former declined 15 per cent, while the latter increased 28 per cent, as compared with the same period of 1937.

Monthly Indexes of Wholesale Sales

The dollar value of wholesale sales in Canada in December was down 8.1 per cent from November, but was up slightly from December, 1937. The index stood at 87.0, compared with 94.7 in November, 97.8 for October and 86.9 for December, 1937. Wholesale sales throughout the year were below the level of 1937, the average monthly index for 1938 being 90.6 compared with 93.9 for 1937 and 85.2 in 1936.

Cost of Living

A moderate recession in food prices was reflected in a decline in the Canadian cost of living index number from 83.5 in December to 83.1 in January. Although the trend of the index has been steadily downward since August, 1938, the decline over the entire period was only two per cent.

Production of Crude Petroleum

The Canadian production of crude petroleum and natural gasoline amounted in December to 489,303 barrels compared with 445,514 in the previous month and 408,681 in December, 1937. Production from Alberta sources totalled 472,774 barrels, of which 468,806 were produced in the Turner Valley.

Canadian production during 1938 aggregated 6,946,479 barrels in comparison with 2,996,033 in 1937 and 1,507,931 in 1936. During the twelve months, imports of crude petroleum totalled 1,228,560,309 imperial gallons compared with 1,362,015,124 in 1937.

Production of Natural Gas

Production of natural gas in December was recorded at 4,056,990,000 cubic feet compared with 3,354,385,000 in November and 4,306,905,000 in December, 1937. Improvement was shown in the calendar year total, the output aggregating 33,159,466,000 cubic feet compared with 32,380,991,000 in 1937 and 28,113,348,000 in 1936.

Lime Industry

Production of quick and hydrated lime during 1937 by Canadian producers totalled 549,353 short tons valued at $3,824,917 compared with 468,401 at $3,335,970 in 1936. The tonnage as recorded represents both sales and consumption of lime by producers and the output in 1937 as thus defined, was the largest since the all-time high record of 674,087 tons in 1929. Of the total 1937 lime production, 466,538 short tons valued at $3,252,383 represented quicklime and 82,815 short tons at $572,534, hydrated lime.

Adhesives Industry

There were 18 firms in Canada during 1937 which made glue, paste and other adhesive products, with a gross value of production standing at $1,904,137 in comparison with $1,799,200 in 1936 and $1,436,259 in 1935. Output of animal glue amounted to 2,468 tons worth $802,572 from 2,428 tons at $691,926 in 1936, and other glues advanced to $548,129 from $544,160; m cilage and paste declined to $109,856 from $140,060. Mucilage and paste were made also in other industries, particularly by the manufacturers of writing inks, the total production from all sources amounting to about $182,001 in 1937 compared with $228,897 in 1936.

Earnings of Canadian Railways

Canadian railways earned a total of $30,431,109 in November compared with $30,585,268 in November, 1937. Freight revenues increased to $24,706,924 from $24,486,195, but revenues from passenger traffic declined to $2,215,700 from $2,545,816. During the eleven months ended November gross revenues totalled $305,573,185 compared with $322,373,882 in the corresponding period of 1937.

Building Permits Issued in 1938

The value of the construction work represented by the building permits taken out in 58 cities was 8.9 per cent higher in 1938 than in the preceding year, and reached the highest point since 1931. The 1938 total exceeded the annual average for the period

1932-1937 by slightly more than 55 per cent. The total in 1938 was $60,817,332 compared with $55,844,999 in 1937 and $27,457,524 in 1934.

In 1938, the work authorized in connection with dwellings was valued at $20,073,597, an increase of 12.4 per cent over the 1937 total of $17,851,211. There was a moderate increase in the number of permits issued for new construction or for repairs and alterations to houses and apartments, while the average value of the building represented by the individual permit advanced from approximately $2,955 in 1937 to $3,095.

The value of permits issued during 1938 follows by provinces, with figures for 1937 in brackets: Prince Edward Island, $92,210 ($140,170); New Brunswick, $631,966 ($602,163); Quebec, $14,451,635 ($11,271,918); Ontario, $25,424,507 ($28,156,707); Manitoba, $3,073,375 ($2,543,559); Saskatchewan, $972,707 ($905,029); Alberta, $3,930,553 ($1,828,377); British Columbia, $10,342,938 ($8,468,051).

Furniture Manufacturing Industry

A marked advance was recorded in the value of furniture manufactured in 1937 by firms included in this industry, the gross value of products amounting to $26,518,767 in comparison with $22,177,929 in 1936. It should be noted that the figures quoted do not necessarily represent the total output of furniture in Canada as there may be also a considerable production in other industrial groups.

The furniture manufactured by this industry consists chiefly of household furnishings which in 1937 were valued at $17,539,344 and were made up of upholstered living-room furniture valued at $6,588,787, bedroom furniture at $4,949,097, dining-room furniture at $2,586,998, kitchen furniture at $1,469,475. The next most important items were those of office and store furniture and fixtures at $2,064,962.

The market for Canadian furniture is chiefly domestic as shown by the fact that only $193,323 worth of Canadian-made furniture was exported during 1937, while the total annual production of furniture and other products in the industry as a whole was over twenty-six million dollars. The imports of furniture amounted to $1,131,483 during the same period.

Production of Leather Footwear

Canada's production of leather footwear in 1938 aggregated 21,948,921 pairs, according to preliminary figures, in comparison with 24,108,688 in 1937 and 21,888,531 in 1936. The totals follow by months, with corresponding figures for 1937 in brackets: January, 1,461,629 (1,482,017) pairs; February, 1,777,340 (1,929,500); March, 2,109,456 (2,387,124); April, 1,959,885 (2,219,297); May, 1,923,773 (2,239,211); June, 1,714,770 (2,226,062); July, 1,626,772 (2,055,533); August, 2,178,202 (2,321,489); September, 2,069,929 (2,256,289); October, 1,760,996 (1,984,112); November, 1,795,979 (1,622,765); December, 1,570,190 (1,385,289).

Production of Hats and Caps

Canadian hat and cap makers apparently had a good year in 1937. The output of 171 establishments whose principal output consisted of hats and caps and materials for their manufacture was valued at $13,689,368 compared with $12,373,810 in 1936. This was the highest gross value since 1930 when it was $14,224,789. The 1937 output included hats for women and children worth $6,502,509, men's hats $3,521,487, caps $2,344,858 and materials $1,320,514.

Record Cotton Crop in Egypt

It is reported that a record crop of cotton was harvested in Egypt during the 1938 season. The total domestic production was approximately 1,090,428,000 pounds. The previous production record was established in 1936-37 when it was 902,067,000 pounds. Only on three occasions had crops exceeded 841,925,000 pounds. The United States production of cotton in 1937 aggregated 7,219,756,000 pounds.

Canada imports large quantities of raw cotton annually, amounting in the calendar year 1938 to 134,760,525 pounds. Although the United States supplied most of this,

Egypt was in second place with a total of 3,300,580 pounds, followed by British India with 548,147 pounds, the United Kingdom 253,425 pounds and China 104,470 pounds.

Reports Issued During the Week

1. Weekly Index Numbers of Wholesale Prices (10 cents).
2. Stocks and Consumption of Unmanufactured Tobacco during the Quarter Ending December 31, 1938 (10 cents).
3. Security Prices and Foreign Exchange (10 cents).
4. Imports and Exports of Fresh Vegetables, December (10 cents).
5. Imports and Exports of Fertilizers, December (10 cents).
6. Imports and Exports of Pickles and Preserved Vegetables, December (10 cents).
7. The Bed, Spring and Mattress Industry, 1937 (15 cents).
8. Annual Review of Building Permits, 1938 (25 cents).
9. The Aerated Waters Industry, 1937 (15 cents).
10. Operating Revenues, Expenses and Statistics of Railways, November (10 cents).
11. Canadian Grain Statistics (10 cents).
12. Petroleum and Natural Gas Production, December (10 cents).
13. The Furniture Industry, 1937 (15 cents).
14. The Adhesives Industry, 1937 (10 cents).
15. Wholesale Sales in December (10 cents).
16. Production of Leather Footwear, December (10 cents).
17. Lime Industry, 1937 (10 cents).
18. Hardwood Flooring Industry, 1937 (15 cents).
19. Car Loadings (10 cents).
20. The Dairy Situation, Autumn Quarter (25 cents).
21. Monthly Review of Dairy Production, January (10 cents).
22. Brass and Copper Products Industry, 1937 (15 cents).
23. Hat and Cap Industry, 1937 (25 cents).
