

WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce

Vol - 111 - No. 14.

Ottawa, Saturday, April 6, 1935.

Weekly Review of Economic Statistics - The Economic Index Averaged 13 p.c. Greater in the First Quarter Than in the Same Period of 1934

While the economic index maintained by the Dominion Bureau of Statistics, showed only slight change from the preceding week, a gain of 11.6 p.c. was recorded over the same week of last year. The standing was 103.0 against 92.3 in the week of March 31, 1934.

Based on the information compiled in this connection, the first quarter of 1935 gave a good account of itself. The trend was upward during the greater part of last year. The present year consequently, began at a relatively high level, and conditions were on an even keel during the first quarter. The economic index averaged 102.2 in the last three months compared with 90.4 in the same period of 1934. The gain of more than 13 p.c. represents the betterment in the economic conditions during the interval.

The gain in carloadings was nearly 4 p.c., the movement of freight in the first 12 weeks of the year being 512,000 cars compared with 491,600 in the same period of 1934. Coal and pulpwood showed gains of 9,600 cars and 9,400, respectively. The gain in the movement of miscellaneous commodities was no less than 13,400 cars, reflecting general improvement over the conditions of the early weeks of 1934. The decline in the loadings of grain and grain products, on the other hand, was 12,800 cars. Carloadings in the 12th week showed moderate gains over the preceding week and the same week of 1934.

Grains exhibited strength on the Winnipeg exchange, cash wheat averaging 83.2 cents per bushel against 82.0 in the preceding week. Each of the coarse grains recorded advances, the average for No.2 C.W. oats having been 41.0 cents compared with 39.4. A sharp advance in copper together with strength in silver, tin and zinc outweighed losses in aluminium and lead. The weekly index of wholesale prices showed slight gain in the week ended March 29, the standing having been 72.1 against 71.9. Commodity prices showed a slight ascendancy over the first quarter of 1934, the indicated gain in the index being less than one p.c.

Dominion government bond prices in the last three weeks have been not far from the highest point reached since the pre-war period. The index of inverted yields computed from Dominion bond quotations averaged 144.4 in the first quarter of 1935 against 111.8 in the same period of last year, a gain of more than 29 p.c. The bid quotation for the 5½ p.c. 1943 refunding bond was as high as 113 7/8 in the week ended March 30. The 1944 and 1946 4½ p.c. bonds were as high as 111 in the same week. The average yield was 3.31 p.c. compared with 3.28 p.c. in the preceding week.

Following a reaction of four weeks, common stock prices advanced in the week under review. The general index for 112 stocks was 86.0 against 84.7 in the week of March 28. A moderate recession was shown in utility stocks. The groups participating in the advance were iron and steel, milling, oils, beverages and miscellaneous. The industrial index advanced from 123.7 to 125.2.

The result was that the economic index was 103.0 in the week ended March 30 against 103.4 in the preceding week, a recession of 0.4 p.c. only

Weekly Economic Index with Six of Its Components
1926=100

| Week Ended | Car loadings ¹ | Wholesale Prices | Reciprocals of Bond Yields ² | Clearings | Common Stocks | Shares Traded | Economic Index |
|-----------------|---------------------------|------------------|---|-----------|---------------|---------------|----------------|
| March 31, 1934 | 70.6 | 71.6 | 117.7 | 90.1 | 89.8 | 145.3 | 92.3 |
| March 23, 1935 | 72.6 | 71.9 | 147.3 | 99.4 | 84.7 | 106.8 | 103.4 |
| March 30, 1935. | 73.1 | 72.1 | 146.2 | 97.2 | 86.0 | 105.1 | 103.0 |

1. The index of carloadings is projected forward one week to correspond with the practice in computing the economic index. 2. Price of a fixed net income from Dominion bonds, based on a yield of 4.84 p.c. for the base year 1926, and 3.31 p.c. for the latest week.

Relation of Production and Retail Sales

For the purpose of determining the sequence of industrial production and retail sales, a comparison between available indexes applying to conditions in the United States during the post-war period proves of value. Restaurant and department storesales have shown....

relatively moderate fluctuations. Probably due to displacement of other stores a sharp growth was shown in the business of variety, chains and mail order stores, culminating in 1929.

But the significant point of the statistical material was that the variety, restaurant and department store sales were actually less in 1933 than in 1932. This decline contrasts with the marked resumption of productive operations as indicated by the gain in the index of industrial production. The natural deduction is that retail distribution tends to lag behind the trend of production. Retail sales are subject to cyclical fluctuation, but the high and low points are normally reached at later dates than the corresponding points for industrial production. Producers upon the improvement of economic conditions, anticipate demand by resuming operations to an important extent.

The response of the retail buyer is not nearly so prompt. Whether due to psychological causes or to lack of purchasing power, the fact of sequence is established by the records in question.

A chart showing the relation of industrial production and retail sales in the United States by years from 1919 to 1934 is given on page 3.

Relation of Industrial Production and Retail Sales in the United States, 1919-1934

Indexes prepared by the Federal Reserve Board, 1923-1925=100

| Year | Industrial Production | Variety Chains | Restaurant Chains | Department Store Sales | Mail Order Sales |
|------|--------------------------|-------------------|----------------------|---------------------------|---------------------|
| 1932 | 64 | 136 | 80 | 70 | 117 |
| 1933 | 76 | 134 | 69 ¹ | 67 | 122 |
| 1934 | 79 | 147 ² | 76 | 75 | 152 |

1. Based on 8 months.

2. Estimated on the basis of the revised index.

Exports and Imports of Refined Sugar

The export of refined sugar in February amounted to 216,600 pounds, most of which went to Newfoundland. Sugar exports in January and February were much below those of a year ago.

Imports of refined sugar amounted to 320,200 pounds, all of which came from the United States.

Electric Power in Manufacturing and Mining Industries

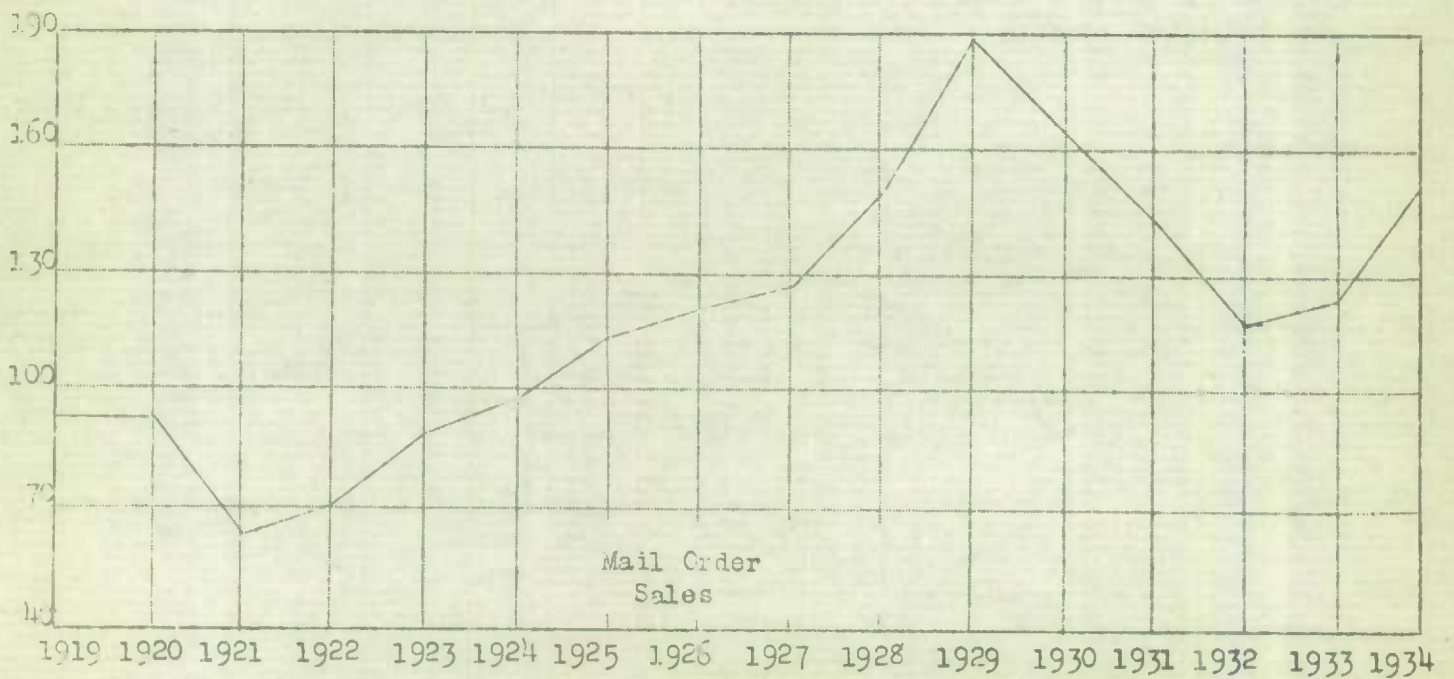
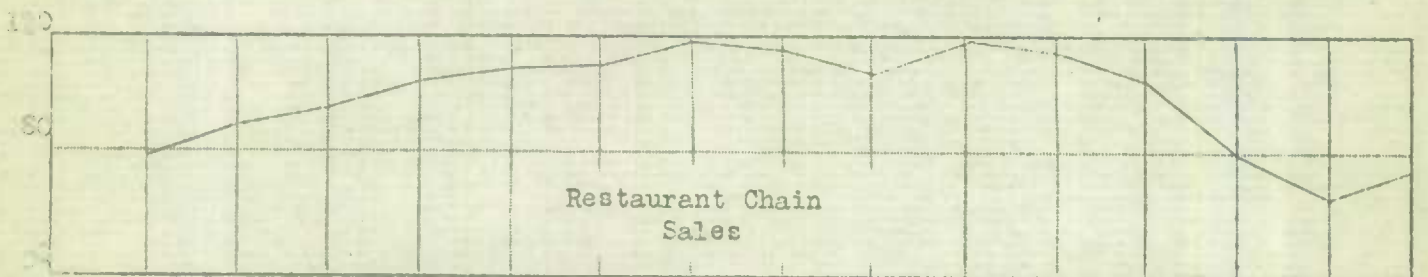
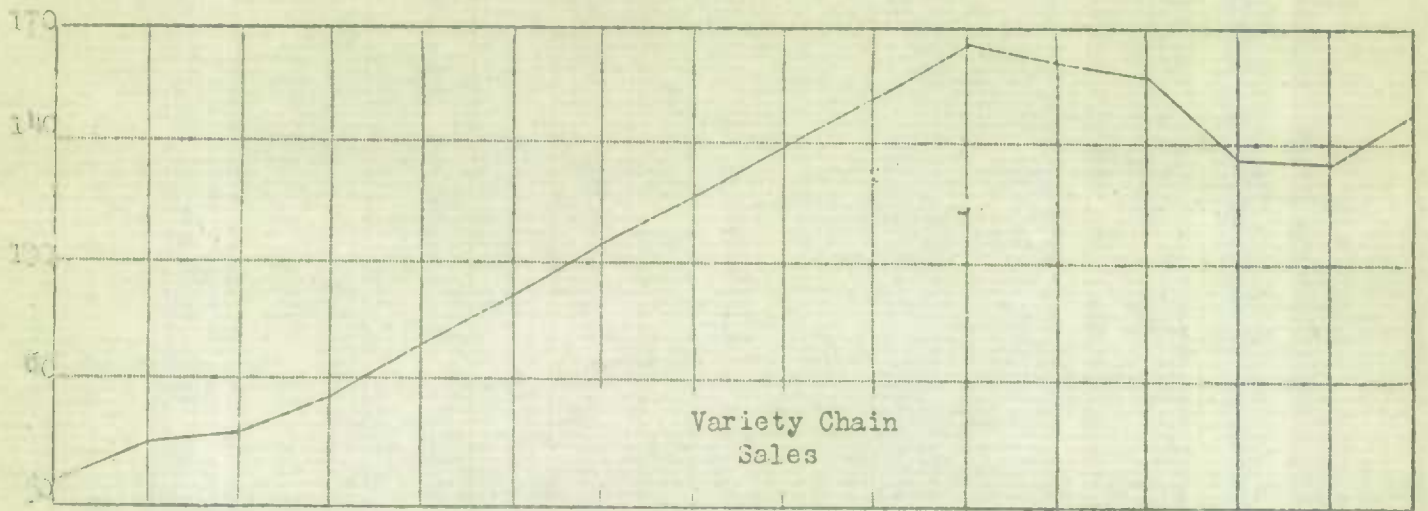
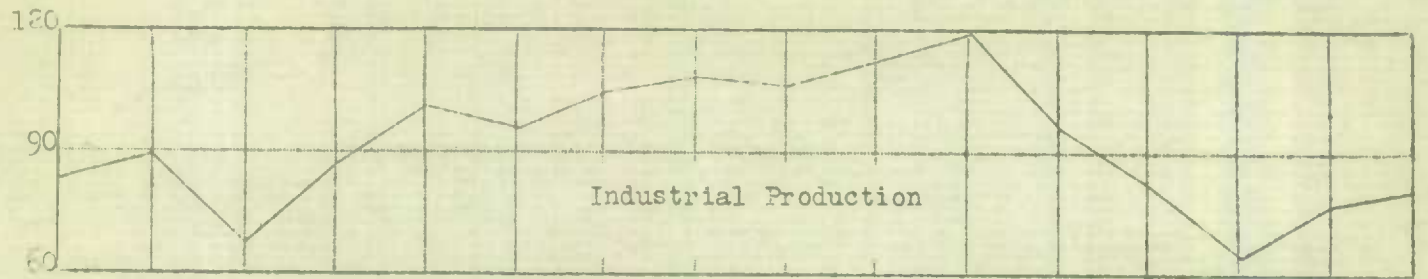
Each year during the ten years, 1923-1933, Canadian manufacturing industries have shown an increasing dependence upon central electric stations for power to operate their machinery and electricity is steadily displacing other forms of power.

In 1923 the capacity of all power equipment in manufacturing plants in operation was 2,146,903 horse power, made up of 1,188,211 horse power of steam engines and internal combustion engines and 958,692 horse power of electric motors operated on central electric station power. The steam engines produced power for electric motors with a capacity of 357,136 horse power so that the capacity of all electric motors amounted to 1,315,828 horse power, or 61.3 per cent of the total power machine capacity.

During the following ten years the total capacity increased to 4,147,831 horse power, or by 93 per cent, steam engines and internal combustion engines increased to 1,476,391 horse power, or by 55 per cent, electric motors operated on central electric station power increased to 2,671,440 horse power, or by 179 per cent, electric motors operated on power produced by the steam equipment of the manufacturing industries increased to 502,706 horse power, or by 41 per cent, and total electric motor capacity increased by 141 per cent. Although there was an increase in steam engines and internal combustion engines and also in electric motors operated by power produced by these engines the big increase has been in electric motors operated on power purchased from central electric stations, their capacity increasing more than three times as much as of other primary power machines in the industries.

Relation of Industrial Production to Retail Sales in United States, 1919-1934

1923-5=100



Indexes of Federal Reserve Board, 1923-5=100

Imports of Tin in February

Imports of tin in February amounted in value to \$190,000, of which \$100,000 came from the United States, \$31,000 from the United Kingdom and \$17,000 from the Straits Settlements.

Wheat Stocks in Store

Canadian wheat in store on March 29 amounted to 231,534,000 bushels compared with 234,148,000 the week before and 224,024,000 a year ago. Canadian wheat in the United States totalled 16,217,000 bushels compared with 17,850,000 the week before and 5,656,000 last year. United States wheat in Canada was 1,049,000 as against 2,229,000 a year ago.

Export Clearances of Wheat

Export clearances of wheat during the week ending March 29 amounted to 1,642,000 bushels as against 1,690,000 in the previous week. Clearances by ports were as follows with last year's figures in brackets: Vancouver-New Westminster 1,227,000 (569,000), Saint John 298,000 (324,000), Halifax 252,000 (80,000), United States Ports 65,000 (451,000), Montreal nil (200), Total 1,842,000 (1,415,000).

Thirty-four weeks: Vancouver-New Westminster 31,721,000 (34,926,000), Montreal 18,702,000 (31,928,000), United States Ports 15,692,000 (18,924,000), Saint John 4,161,000 (4,802,000), Churchill 4,050,000 (2,708,000), Sorol 2,807,000 (5,288,000), Halifax 2,478,000 (1,502,000), Quebec 1,762,000 (8,492,000), Prince Rupert 1,316,000 (nil), Total 82,689,000 (108,569,000).

Imports of Farm Implements and Machinery

The importation of farm implements and machinery in February was valued at \$387,000 compared with \$200,000 a year ago. Some of the largest items were as follows: 784 cream separators at \$15,936 from Sweden and 345 at \$14,283 from the United Kingdom; 87 traction engines at \$67,710 from the United States; 9 pasteurizers at \$6,480 from the United States; parts from the United States \$220,000. Total imports from the United States amounted to \$343,000 and from the United Kingdom \$26,000.

Fertilizers

Imports of fertilizers in February were valued at \$45,000, and for articles which enter into the cost of fertilizers \$86,000. Total exports were \$474,000.

Wood Pulp and Pulpwood

Imports of wood pulp in February amounted in value to \$43,000 and of pulpwood \$8,000. This was a large increase over February last year.

Bank Debits to Individual Accounts

Financial transfers in the form of bank debits in February were maintained at practically the same level as in February last year. The Dominion total was \$2,089,041,000 compared with \$2,089,346,000. Ontario made a gain of seven per cent. The Maritime Provinces also increased, but there were recessions in Quebec, the Prairies and British Columbia.

Weekly Index Numbers of Wholesale Prices

The Dominion Bureau of Statistics index number of wholesale prices on the base 1926=100 was 72.1 for the week ending March 29 as compared with 71.9 for the week ending March 22. Grains advanced and silver passed the 60 cent mark, the highest it has been for six years.

Vegetable products advanced from 67.3 to 67.9. The reactionary developments recently noticed were still in evidence on livestock markets and may be attributed largely to the usual curtailment in consumption during Lent. Butter and eggs were cheaper but there was a slight increase in cheese. Animal products index dropped from 69.3 to 69. There was

a sharp advance in copper with strength in zinc, tin and silver and losses in aluminium and lead. The non-ferrous index rose from 65.4 to 66.1. Textiles, wood, non-metallic minerals and chemicals were unchanged. Canadian Farm Products rose from 62.4 to 62.7.

Changes in the Value of Retail Sales in February

The general index of the value of retail sales stands at 58.9 in February, 1935, according to figures compiled by the Dominion Bureau of Statistics (January 1929=100). This figure compares with 58.6 recorded in February, 1934, and with 54.3 for the same month in 1933. The index for January 1934, was 61.5, the decline to 58.9 in February being largely due to the smaller number of selling days in that month.

Comparing February 1935 with February 1934, boots and shoes rose from 40.5 to 43.7; Drugs from 68.2 to 73.2; Furniture from 40.1 to 44.6; Hardware from 49.8 to 56.0, and Music and Radio from 21.4 to 25.0. Dyers and Cleaners fell from 67.8 to 61.9 and Restaurants from 49.5 to 47.9. Candy sales moved from 59.6 to 59.2; Clothing from 52.7 to 52.2; General and Departmental from 54.1 to 53.8, and Groceries and Meats from 71.7 to 71.4.

Auto Imports in February

There were 310 passenger cars imported from the United States in February and 19 from the United Kingdom. Practically all of the 704 bicycles imported came from Great Britain.

Tea and Coffee Imports

Green coffee imported in February amounted to 3,302,000 pounds, the leading countries from which it came being: Jamaica 910,000, British East Africa 749,000, Colombia 650,000, Brazil 555,000, United Kingdom 123,000, Trinidad and Tobago 101,000, Mexico 98,000.

Imports of tea were comparatively small, the total being 2,056,000 pounds, tea of India predominating.

Lumber Imports

Lumber imports, of which oak was the principal, were valued at \$212,000 in February, an advance of \$42,000 over that of a year ago.

Vegetable Oil Imports

Vegetable oil imports in February amounted to the large sum of \$837,000. More than half of that was peanut oil, mainly from China and the Netherlands.

Index Numbers of Security Prices

The investors' index of industrial common stocks was 125.2 for the week ending March 28 as compared with 123.7 for the previous week, domestic utility common 44.4 compared with 44.7, common of companies located abroad in which Canadians are heavily interested 106.4 compared with 101.8 and for all three groups combined 86.0 compared with 84.7.

New Auto Sales in February

There were 7,202 new motor vehicle retail sales in Canada at \$7,234,126 in February, compared with 3,463 at \$3,543,152 in January and 4,258 at \$4,219,063 in February, 1934. This was an increase over last year of 69 per cent in number and 71½ per cent in value. There were 5,968 passenger cars sold in February and 1,234 trucks and buses.

Silver Bullion Imports

Silver bullion imported in February was valued at \$431,000, \$234,000 coming from the United States and \$197,000 from the United Kingdom.

Primary Movement of Wheat

Wheat marketings in the Prairie Provinces for the week ending March 22 amounted to 2,508,000 bushels compared with 1,723,000 in the previous week and 1,982,000 a year ago. By provinces the receipts were as follows, with the 1934 figures in brackets: Manitoba 205,000 (272,000), Saskatchewan 1,056,000 (961,000), Alberta 1,047,000 (749,000). Thirty-three weeks: Manitoba 28,001,000 (24,517,000), Saskatchewan 84,620,000 (91,898,000), Alberta 80,182,000 (70,068,000), Total 192,803,000 (186,484,000).

Revenues and Expenses of Railways in January

Gross revenues of Canadian railways in January amounted to \$20,953,000 as against \$21,011,000 a year ago. For the first time in over a year gross operating revenues showed a decrease from the total for the same month in the previous year. The January decrease was less than one per cent but operating expenses increased from \$19,945,000 to \$20,475, thus reducing the net revenue by \$587,000 and the operating income declined from \$216,000 to a debit of \$419,000.

Although freight traffic measured in ton miles increased by six per cent freight revenues decreased by \$145,000 or almost one per cent. Passenger traffic was heavier by six per cent and passenger revenues increased by \$13,000, or one-half of one per cent. The total payroll amounted to \$13,340,000 as against \$12,919,000 a year ago. A restoration of three per cent of the fifteen per cent cut in basic rates, effective since November 1, 1933, was made on January 1 and a further restoration of two per cent is to be made on May 1.

Rubber Imports in February

Imports of raw rubber in February amounted to 3,491,000 lb., which was a decrease of 663,000 from a year ago. With the exception of 110,000 from the Straits Settlements and 2,275 from Trinidad all the raw rubber came from the United States.

Imports of Meats in February

Imports of meats in February were of the value of \$20,000, about the same as a year ago. The largest item was \$10,000 of barrelled pork from the United States. In addition to this there was a large importation of sausage skins, amounting in value to \$79,000, of which \$73,000 came from New Zealand.

February Import of Paint

Some of the items in the February import of paints were as follows: carbon black from the United States at \$55,000; lithopone from the Netherlands, Great Britain and the United States \$42,000; oxides, mainly from the United States and the United Kingdom \$81,000; zinc white, almost entirely from the United Kingdom \$34,000.

Imports of Pipes, Tubes and Fittings in February

Imports of pipes, tubes and fittings in February were valued at \$111,000, of which \$86,000 came from the United States and \$23,000 from Great Britain. Exports amounted to \$9,000.

Export of Coin in February

The export of gold coin, none of which was Canadian, during the twelve months ending February was of the value of \$65,000 and it all went to the United Kingdom. This was in sharp contrast with the previous twelve months when \$5,982,000 was exported, \$2,482,000 going to the United Kingdom and \$3,500,000 to the United States.

In contrast with gold, the silver coin export in these twelve months was large, \$654,000 going to the United States and \$31,000 to the United Kingdom.

The copper export to the United States was valued at \$1,451 and to the United Kingdom \$165.

Manufactured Fuel Gas

The Dominion Bureau of Statistics index number of prices for manufactured fuel as used by domestic consumers in Canada again fell slightly in 1934 to 94.2 as compared with 94.3 in 1933 on the base 1926=100.

Commodity Wholesale Prices in March

The gradual advance in commodity wholesale prices which began early in January reached a peak in the second week of March. During this interval the Dominion Bureau of Statistics wholesale price index number mounted from 71.3 to 72.3. At that level it was higher than at any time since last August. Marked stability in the general wholesale prices since the beginning of 1934 was indicated by the fact that weekly indexes since then have fluctuated between 69.9 to 72.9. The mild reaction in the latter half of March was associated with weakness in eggs, steers, cotton, rubber, tin, and silk. Continued strength was apparent in wheat, silver and sugar. Hogs turned upward in the last two weeks of March, regaining about one-third of losses registered since February 1st. The general index for the final week of March was 72.1, or 0.2 below the peak figure for the second week.

Cost of Living in March

Moderate reductions in clothing prices were responsible for a slight decline in the Dominion Bureau of Statistics cost of living index from 79.1 in February to 79.0 in March. The clothing group fell from 71.0 to 70.3, while foods advanced slightly from 69.2 to 69.5. The general index of 79.0 compares with 79.9 for March 1934.

Security Prices in March

Common stock prices declined throughout the first three weeks of March, but turned upward again in the fourth. The general movement since the beginning of the year has been gradually downward. An index of industrials for the week of March 28, was 125.2 as compared with a January average of 129.7; utilities similarly had fallen from 50.4 for January to 44.4 for the week of March 28. Gold stocks at 126.5 were materially lower than the 1935 peak of 131.2 (March 7), but higher than the January average of 123.2. Milling and iron and steel issues showed weakness during March, while beverages and power and traction were relatively firm.

Foreign Exchanges in March

The Canadian dollar declined moderately in terms of most currency units during the first three weeks of March, but regained the greater part of earlier losses before the month closed. A sharp break in the belga in the final week followed an official decree announcing that Belgium would reduce the gold value of the belga by 28 p.c. Gold currencies weakened as pressure against the belga increased, while a marked advance occurred in the sterling bloc. Sterling, however, dropped $2\frac{3}{4}\%$ to \$4.82 $\frac{1}{2}$ on March 30, at Montreal. New York funds commanded a premium of $\frac{3}{4}\%$ of one p.c. at the end of March as compared with $\frac{5}{16}\%$ of one p.c. at the beginning. Unofficial rates on the Brazilian milreis of roughly 6.30¢ were 2¢ below official rates.

Employment by Racial Origin

Forty-eight per cent of the people of Canada, ten years of age and over, were employed in gainful occupations at the 1931 census, 77 per cent of the males and 17 per cent of the females. The percentage was not so high amongst the people of French origin as of British, 46 per cent of the former and 48 of the latter. The highest percentage at work amongst those of British origin was shown by the Scots. The English came second and the Irish third. Amongst all those of European origin, however, the Germans and Austrians had the highest percentage -- about 51.

Hebrew females had the highest percentage at work with 22, with Irish and Scots next at 18 per cent each, English 17.

Raw Sugar Imports

Raw sugar imports in February amounted to 24,309,000 pounds, a considerable advance over February, 1934. Countries of origin were as follows: Fiji Islands 14,071,800, British Guiana 8,392,000, Australia 1,771,300, Jamaica 72,400, other British West Indies 1,500.

Canadian Milling in February

Grain ground in Canadian mills in February was as follows, with the figures of a year ago in brackets: wheat 4,221,000 (4,887,000) bushels, oats 775,000 (786,000), corn 173,000 (157,000), barley 74,000 (100,000), buckwheat 8,000 (7,000), mixed grain 1,938,000 (1,380,000). Flour production amounted to 941,000 barrels compared with 1,102,000.

Leather Footwear Production

Production of leather footwear in Canada in February at 1,580,000 pairs was the highest February output since 1929. A year ago it was 1,324,000 pairs. During the first two months of 1935 the production was 2,910,000 pairs as against 2,355,000 in the same two months of 1934.

Stocks of Corn in Canada

Stocks of corn in Canada on March 29 were as follows, with the figures of a year ago in brackets: United States 5,289,000 (6,839,000) bushels, Argentine 121,000 (1,153,000), South African 2,341,000 (61,000).

Index Numbers of 23 Mining Stocks

The weighted index number of twenty-three mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 127.6 for the week ending March 28, as compared with 126.2 for the previous week. Nineteen gold stocks rose from 125.8 to 126.5, and four base metals stocks from 133.1 to 136.3.

Butter at Montreal, Toronto and Winnipeg

Butter in cold storage warehouses on April 1 was as follows, with the 1934 figures in brackets: Montreal 2,025,000 (597,000) pounds, Toronto 1,311,000 (709,000), Winnipeg 600,000 (233,000). Cheese: Montreal 4,498,000 (5,295,000), Toronto 2,162,000 (2,340,000), Winnipeg 196,000 (132,000). Cold storage eggs: Montreal 36,240 (780) dozen, Toronto 6,840 (nil), Winnipeg 14,895 (419). Fresh eggs: Montreal 114,946 (31,755), Toronto 120,421 (57,811), Winnipeg 18,220 (44,160). Frozen eggs: Montreal 151,000 (107,000) lb., Toronto 374,000 (429,000), Winnipeg 437,000 (264,000).

Reports Issued During the Week

1. Butter, Cheese and Eggs in Cold Storage on April 1.
2. Sugar Report for the Four Weeks ending March 23.
3. Domestic Rates for Manufactured and Natural Fuel Gas, 1913-1934.
4. Use of Electric Power in Manufacturing and Mining Industries, 1933.
5. Price Movements, March.
6. Racial Origins of Gainfully Occupied Ten Years of Age and over.
7. Trade of Canada, February.
8. Operating Revenues, Expenses and Statistics of Railways of Canada, January.
9. Imports of Paints and Varnishes, February.
10. Imports and Exports of Pipes, Tubes and Fittings, February.
11. Imports of Meats, Lard and Sausage Casings, February.
12. Imports of Rubber, February.
13. Weighted Index Numbers of 23 Mining Stocks.
14. Monthly Review of Business Statistics, March.
15. Trade of Canada, Calendar Year 1934.
16. Changes in the Value of Retail Sales, February.
17. Imports of Coffee and Tea, February.
18. Imports of Non-Ferrous Ores and Smelter Products, February.
19. Imports of Lumber, February.
20. Canada's Imports and Exports of Vegetable Oils, February.
21. Imports of Vehicles of Iron, February.
22. Weekly Index Numbers of Wholesale Prices.
23. Bank Debts to Individual Accounts, February.
24. Imports of Stoves, Sheet Metal Products, Refrigerators, February.
25. Imports of Pulp Wood, Wood Pulp and Paper, February.
26. Imports and Exports of Fertilizers, February.
27. Imports of Farm Implements and Machinery, February.
28. Canadian Grain Statistics.
29. Car Loadings on Canadian Railways.
30. Leather Boot and Shoe Production in February.
31. Canadian Milling Statistics, February.
32. Annual Survey of Education in Canada, 1933.

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