

WEEKLY BULLETIN

Dominion Bureau of Statistics  
Department of Trade and Commerce



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Economic Index at 99.3 in the week of August 3 against 96.8 in the same week of 1934 showed a gain of 2.6 p.c.

Being influenced mainly by advances in bond and stock prices, the economic index registered an increase of 2.6 p.c. over the same week of last year. The index based on six significant factors was 99.3 in the week ended August 3 against 96.8 in the same week of 1934. The index maintained by the Dominion Bureau of Statistics has remained remarkably steady during the present year, fluctuating about the 100 p.c. line. During the first seven months of 1935, the index has been continually above the levels of the same weeks of 1933 and 1934. A marked advance occurred from May to August, 1933, the gain being partly offset by the setback in the remainder of the year. The advance was carried further in 1934, and the position has been practically maintained since the first of the present year.

Despite the gain in wholesale prices and in speculative trading, the index was slightly lower at 99.3 in the week of August 3 against 100.1 in the preceding week. Car-loadings and bank clearings registered minor declines from the preceding week, while bond and common stocks prices were nearly maintained. The railway freight movement has recently followed the pattern of last year. A considerable gain over 1934 was recorded in February and April, the cumulative increase during the first 30 weeks over the same period of last year having been 19,492 cars. A temporary peak was reached in the 28th week ended July 13, which was followed by recessions for two weeks. At most important business turning-points of the past, freight traffic has lagged moderately behind more sensitive business indexes, and railway operations have made a much less impressive recovery during the past three years than have a number of other types of activity.

Common stock prices were nearly maintained in the week ended August 1, the index standing at 95.4 against 95.6 in the preceding week. Owing to recessions in oil, textile and food stocks the average for industrials was slightly lower. The steel, milling, beverage and miscellaneous stocks showed appreciable gains. Canadian stock prices remained fairly steady in July following the relatively moderate recession from the temporary peak reached in the week of May 23. The average price of utilities is much lower than for the same week of either 1933 or 1934 but has shown minor advance since April. Bond prices were at a relatively high level in the week ended August 3. Recent bid quotations were as high as 113 $\frac{1}{4}$  for the 5 p.c. 1943 Dominion Government refunding bond and the 4 $\frac{1}{2}$  p.c. 1944 and 1946 bonds were quoted at 110 $\frac{1}{2}$ . The index of inverted bond yields was 139.7 against 139.9 in the preceding week, a gain of 9.9 p.c. being shown over the same week of last year.

Wholesale prices were higher in the week of August 2, the index advancing from 71.4 to 71.8. A further advance was shown in wheat prices, No. 1 Manitoba Northern averaging 84.8 cents per bushel against 82.3. Flax and rye ruled somewhat higher while recessions were shown in oats and barley. Live stock prices were higher at Toronto, cattle gaining slightly over the low point of the preceding month. Bacon hogs showed a gain for the second week. Lead and zinc recorded advances in New York, while copper and silver were steady. The index of non-ferrous metals based on Canadian quotations rose from 69.2 to 69.6 reflecting advances especially in copper, lead and zinc.

Weekly Economic Index with the Six Components  
1926=100

Week Ended	Car load-ings <sup>1</sup>	Wholesale Prices	Recipro-cals of Bond Yields <sup>2</sup>	Bank Clear-ings	Com-mon Stocks	Shares Traded	Economic Index
Aug. 4, 1934	73.1	72.4	127.1	101.8	80.3	165.8	96.8
July 27, 1935	74.4	71.4	139.9	85.3	95.6	100.0	100.1
Aug. 3, 1935	72.5	71.8	139.7	81.9	95.4	115.5	99.3

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.

Relation between Industrial Production and Notice Deposits.

Since about the middle of 1922, the index of notice deposits of the chartered banks, after adjustment for the long-term trend, has followed a course similar to that of industrial production. The monetary inflation in the immediate post-war period was reflected



in the relatively high level of notice deposits during the first three years following the war. Subsequent to that time, the fluctuation of notice deposits has been somewhat similar to that of industrial production. The fluctuations in industrial production were relatively greater and it is noteworthy that after seasonal adjustment, notice deposits reached in January, 1929, their highest point during the post-war period. The subsequent decline was in advance of the drop in industrial production. The index of notice deposits at the end of June was 106.5 compared with 100.6 the smoothed index of industrial production, the former having been at a higher level since the later months of 1930. The coefficient of correlation between the two indexes from July, 1922, to July, 1933, after elimination of the long-term trend, was 0.689 compared with 1.000 representing perfect correlation. See the chart on page 3 showing the relation of industrial production and notice deposits since January, 1920.

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#### Distilled Liquors in 1934

Whiskies and other potable spirits produced during 1934 and put in bond for maturing totalled 2,912,522 proof gallons with an inventory value of \$1,106,677, while whiskies and other potable spirits bottled or shipped in bulk for consumption totalled 3,413,948 proof gallons valued at \$12,506,201. Other important products were: denatured alcohol 2,282,924 proof gallons valued at \$915,731 and non-potable alcohol 1,518,928 proof gallons valued at \$625,965.

Imports of distilled liquors in 1934 totalled 748,847 proof gallons with a value of \$13,755,512. This is an increase of 71,980 proof gallons over 1933. Exports were valued at \$19,858,594, an increase of \$10,800,343 as compared with 1933. Distilled liquors re-exported in 1934 were valued at \$22,047.

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#### Silver Production in May

The Canadian production of silver in May rose to 1,613,002 ounces from the April total of 1,013,805 and the May, 1934 output of 1,508,323. During the first five months of 1935 the output totalled 6,168,025 ounces; this represented a decline of 5.8 per cent from the production during the corresponding period of 1934.

Silver quotations on the New York market, in Canadian funds, averaged 74.46 cents per ounce in May as compared with 68.12 in April. The computed value of the Canadian output in May was \$1,201,162, and in April \$690,606.

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#### World Silver Production

The world production of new silver in May was estimated at 16,969,000 ounces; in April 14,550,000 ounces were produced. This quantity was further augmented by the following shipments from former holdings of refined silver bullion; Russia to Great Britain, 3,668,350 ounces; British India to Great Britain, 231,400.

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#### May Lead Production

Canadian producers reported an output of 26,777,539 pounds of lead in May as compared with 24,811,329 in the preceding month and 25,939,731 in May, 1934. Production during the first five months of 1935 totalled 133,210,692 pounds; during the corresponding months of the previous year 130,381,670 were produced.

Lead quotations in May averaged 3.029 cents per pound on the London market, in Canadian funds; valued at this price the Canadian output in May was worth \$811,226. The average price in April was 2.654 cents per pound and the value of the month's output \$658,713.

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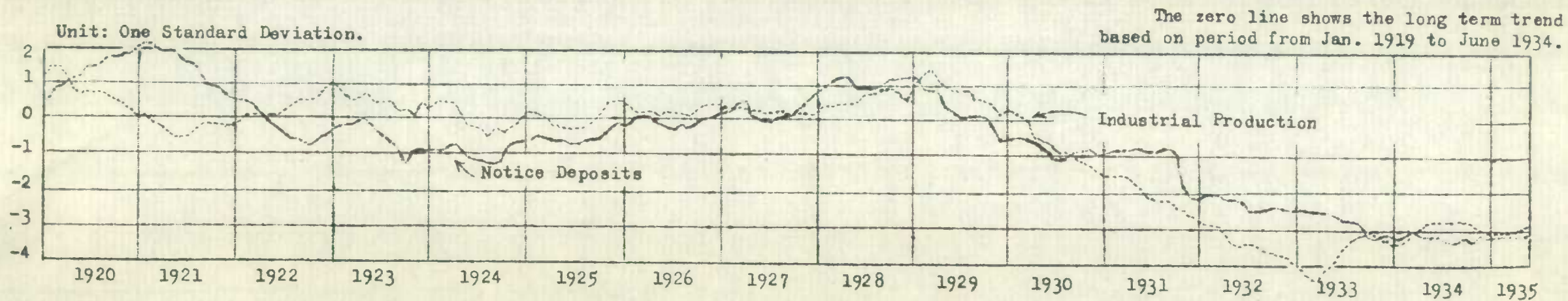
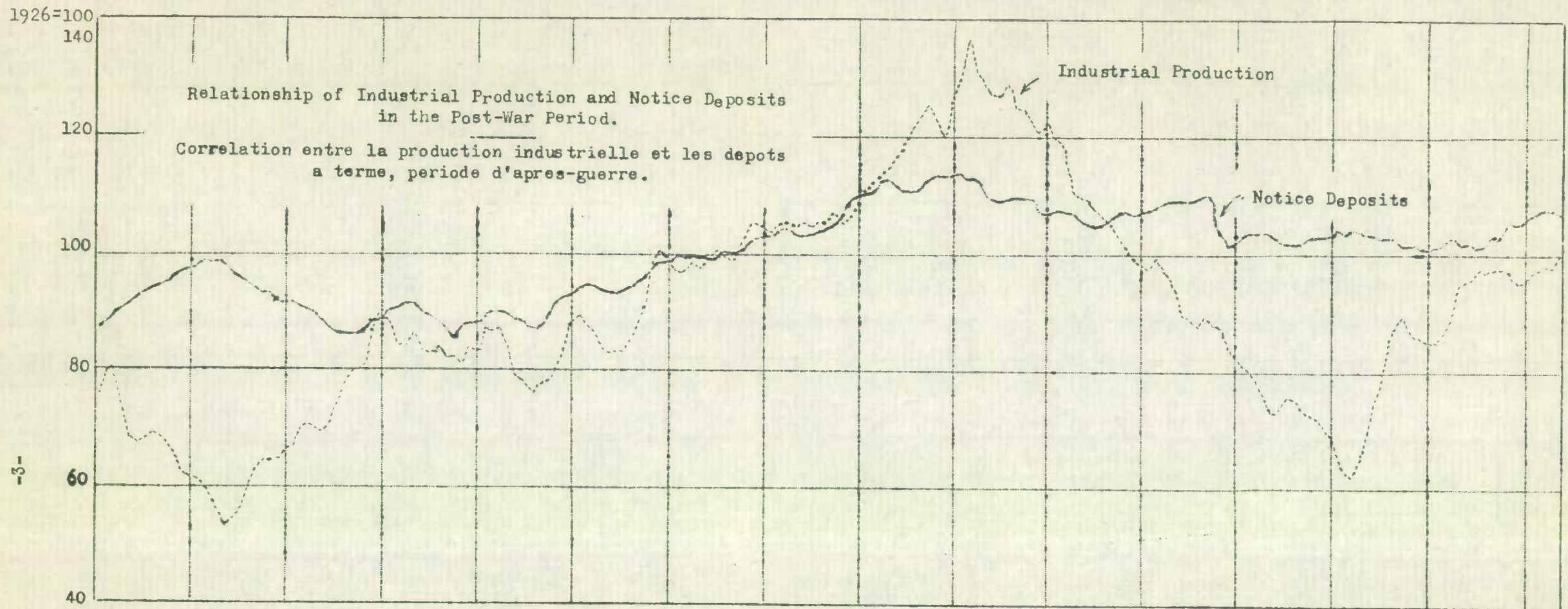
#### World Lead Production

The world production of refined lead advanced to 135,383 tons from the April total of 128,366. The United States output of lead rose 11.2 per cent to 33,202 tons in May and the Australian output 32.2 per cent to 23,146. The Mexican production declined 7.7 per cent to 18,945 tons in May.

Stocks of refined lead in the United States increased 5,014 tons in May to 225,057 tons. The London Metal Exchange official warehouses on May 31 contained 16,653 tons of lead imported in bond and 4,007 of duty free lead; on April 30, 16,619 tons of the former and 4,220 of the latter were on hand.

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### Dairy Situation in Canada

Food and pasture conditions are shown to be fairly satisfactory throughout Canada. A late spring combined with drought in some sections delayed the growth of pastures and meadows but favourable rains in the latter part of May and in June produced a remarkable improvement. A good crop of hay is promised generally throughout Canada. In British Columbia dry and backward weather will reduce the yield of forage crops.

A reduction in the numbers of yearling heifers being raised for dairying would indicate that smaller numbers will be available for replacing cows now being used. Sales of cows at stock yards increased from 45,558 head in the first six months of 1934 to 59,278 head in the same period this year. Exports of dairy cows, principally to the United States, increased from 1,028 in the January to June period last year to 2,716 head in the same period of 1935. Due to increased beef prices more cows are being used for nursing beef calves. In Alberta some evidence of this policy is being shown in the reduced milk and cream supply.

The production of creamery butter in the first six months of 1935 was 5 per cent below that of 1934. The Maritime Provinces and Alberta show the greatest declines. In Quebec and Ontario the butter output is on the increase, and if this situation continues the total 1935 butter production in Canada may reach the level of 1934.

The percentage of the total milk supply used for cheese-making fell from 11.2 per cent in 1920 to 6.9 per cent in 1934. Cold storage figures show a reduction of 9.8 per cent in butter holdings as at July 1, 1935 as compared with July 1, 1934, while cheese stocks at July 1 were 7.9 per cent higher than at the same date of the previous year.

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### Footwear Trade in June

Imports of leather footwear in June were valued at \$45,198 as against \$65,794 in June, 1934. The United States supplied \$18,962, followed by the United Kingdom with \$11,111. Boots and shoes with canvas uppers were valued at \$12,752, coming mainly from British India and Czechoslovakia. Boots and shoes for women were valued at \$17,956, mainly from the United States and sizes for men were valued at \$10,328, from the United Kingdom at \$8,569 and the United States with \$1,727.

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### Fertilizers in June

Fertilizers imported during June amounted to 441,453 cwt. valued at \$173,919 as compared with 366,425 cwt. at \$239,966 in June last year. The amount from the United States was 380,831 cwt. at \$126,798. Acid phosphate of lime was the largest item at 136,418 cwt. of the value of \$63,219. Phosphate rock followed with 261,850 with a value of \$60,320. Crude muriate of potash at 14,818 cwt. of the value of \$12,286 came from the United States and Franco.

Exports totalled 352,985 cwt. at \$428,298 as against 257,438 cwt. at \$349,651. The leading market was the United States with 231,774 cwt. at \$280,204. Ammonium sulphate exported was valued at \$100,396, followed by cyanamid with \$78,543 and tankage at \$31,878.

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### Trade in Hides and Skins

The import of hides and skins during June was valued at \$194,516 as against \$223,997 in June last year. The main supplying country was the United States with a value of \$113,262. Exports amounted to \$279,711 as compared with \$249,198. The United States was the largest purchaser with \$251,969.

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### Lumber Imports in June.

The import of lumber and timber in June was valued at \$235,809 as compared with \$178,135 a year ago. The United States supplied practically the entire import at \$233,304. Some of the leading items were: Oak at \$55,663, White Pine \$54,928, Gumwood \$17,575, Southern Pine \$12,175, Walnut \$14,881, Cedar \$11,142, Poplar \$8,342 and Hickory \$4,258, all from the United States.

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### Imports of Copper

The June import of copper was valued at \$69,000 compared with \$57,000 in June, 1934. The amount from the United States was \$53,000 and the United Kingdom \$14,000.



### Investors' Index Numbers of Security Prices

The Investors' index of 112 common stocks for the week ending August 1 was 95.4 as compared with 95.6 for the previous week and 80.3 for the same week last year. Though most of the sub-groups in the industrial series were higher, the drop in Oils, Textiles and Clothing, Food and Allied Products caused the index to move down from 143.8 for July 25 to 143.7 for August 1, a loss of only 0.1 points, and 111.8 in the same week last year, the lowest point for that year.

### Imports of Pipes, Tubes and Fittings

Pipes, tubes and fittings imported were valued at \$103,370 in June as against \$117,489 in May and \$118,036 in June last year. The import value from the United States was \$87,404 and from the United Kingdom, \$15,430. Exports amounted to \$10,519 as against \$6,080 in June, 1934.

### Imports of Aluminium

Aluminium imports in June were valued at \$271,000 as against \$591,000 a year ago. The import from the United States made up the larger part of the supply at \$220,000 and from the United Kingdom \$49,000.

### Bullion Imports

The gold bullion import was valued at \$363,960 in June. There was none imported in June last year. Silver bullion imports were valued at \$469,351 as against \$67,071 in the same comparisons. Silver bullion came from Hong Kong to the value of \$261,120, from the United States \$128,243, and from the United Kingdom \$79,988.

### Tin Imports

Tin imports during June totalled 2,854 cwt. valued at \$142,204, as compared with 4,327 cwt. at \$223,101. The amount from the United Kingdom was 1,506 cwt., Straits Settlements 1,008 and the United States 340.

### Tea Imports

There was a spectacular rise in the import of tea in June as compared with June last year. The amount was 2,612,798 pounds valued at \$575,984, compared with 858,622 at \$209,522. Tea from India amounted to 1,528,697 pounds and from the United Kingdom 745,866.

### Green Coffee Imports

Green coffee imports during June amounted to 3,447,303 pounds valued at \$312,898 as compared with 2,713,620 at \$305,289 in June, 1934. The supply came from 14 countries, the larger contributors being as follows: British East Africa 869,919, Jamaica 805,159, Brazil 754,169, Colombia 658,169, Mexico 94,501, United Kingdom 54,970, Trinidad and Tobago 53,720, Venezuela 40,074 and British India 33,600 pounds.

### Feldspar Shipments

May shipments of feldspar by Canadian producers were 1,013 tons as against 492 in April and 506 in May, 1934. Two tons of ground feldspar were imported during the month as compared with 52 in April.

### Commercial Salt Production

The production of commercial salt amounted to 22,748 tons in May as compared with 21,407 in April and 20,082 in May, 1934. The output during the first five months of 1935 amounted to 79,938 tons as against 74,507 in the same period of 1934, an advance of over seven per cent. Exports totalled 785 tons and imports 11,411 tons.



### Primary Movement of Wheat

Wheat marketings in the Prairie Provinces for the week ending July 26 amounted to 1,942,017 bushels as compared with 3,499,160 in the previous week and 2,250,564 in the corresponding week last year. Receipts for the week were as follows, with last year's figures in brackets: Manitoba 131,691 (46,984) bushels; Saskatchewan 1,029,406 (1,090,134); Alberta 780,920 (1,113,446). Fifty-two weeks: Manitoba 31,321,743 (28,299,752); Saskatchewan 102,006,612 (110,704,143); Alberta 93,804,414 (86,804,916); Total 227,132,769 (226,806,811).

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### Index Numbers of 23 Mining Stocks

The index number of 23 mining stocks was 117.8 for the week ending August 2 as against 117.4 for the week ending July 25 and 132.2 in the same week last year. Nineteen gold stocks were 109.2 as compared with 109.1 in the previous week and 129.2 in the same week a year ago, and four base metals 154.8 as against 153.4 and 149.6 in the same comparison.

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### Gypsum Production

The output of gypsum in May was 58,312 tons. In the preceding month 26,518 tons were produced and in May, 1934, the total was 53,358. During the five months the output totalled 96,072 tons, an increase of 6.3 p.c. over the same period in 1934. Exports during the month were recorded at 18,722 tons and imports at eight tons.

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### Car Loadings on Canadian Railways

Car loadings for the week ended July 27 amounted to 43,342 cars, 389 less than the loadings of 43,731 in the corresponding week last year and 1,952 less than the total of 45,294 cars for the previous week. Grain was lighter than in the previous week by 1,754 cars although 323 heavier than in 1934. Live stock, coal, pulpwood and merchandise showed decreases of 61 cars, 390, 273 and 155, respectively. Miscellaneous showed an increase of 289 cars and was also 220 above last year's total, other forest products were heavier than for the previous week by 191 cars, ore by 114 and other commodities showed small increases.

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### Milling in June

Wheat ground in Canadian mills during June amounted to 4,431,823 bushels compared with 5,066,622 in June last year. Oats, corn, buckwheat and mixed grains were higher, while barley was lower. Grains ground in June are as follows, with last year's figures in brackets: Wheat 4,431,823 (5,066,622) bushels; Oats 823,174 (713,298); Corn 204,197 (189,875); Barley 42,455 (43,865); Buckwheat 4,702 (4,216); and mixed grain 793,098 (552,371).

Mill stocks of wheat at the end of June amounted to 8,989,141 bushels as against 8,064,663 in June, 1934. Flour production amounted to 991,559 barrels compared with 1,127,477 barrels. Exports of flour amounted to 429,561 barrels compared with 441,064.

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### World Shipments of Wheat

World shipments of wheat for the week ending July 29 amounted to 6,077,000 bushels as compared with 7,784,000 for the previous week and 9,168,000 for the corresponding week last year. North American and Australian shipments showed a slight increase but Argentine shipments showed a decrease of 1,717,000 bushels.

World shipments have averaged 9.9 million bushels per week during the crop year as compared with 10.1 and 11.8 million per week during 1933-34 and 1932-33. North American shipments have averaged three million per week compared with 4.2 and 5.6 million in the two previous years. Argentine shipments have averaged 3.5 million as compared with 2.7 last year.

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### Stocks of Foreign Corn in Canada

Stocks of foreign corn in Canada on July 26 included the following, with comparative figures for the same date last year in brackets: United States 661,220 (2,748,759) bushels; Argentine 306,631 (468,564); South African 2,348,367 (29,214).

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### Commodity Prices in July

Wholesale prices of commodities developed a slightly firmer tendency during the latter part of July and the index stood at 71.4 for the week ending July 26 as compared with 71.3 for the week ending June 28. Wheat futures remained around pegged levels at Winnipeg during the early part of the month, but later advanced following reports of wide-spread crop damage. Hot weather conditions and narrowing in price ranges between Canadian and United States markets were responsible for a decided reduction in the number of livestock bought for export and cattle prices steadily declined. Bacon hogs were easy for the first three weeks but later moved up and regained part of the loss in the last few days of the month. A sharp rise occurred in the price of raw silk and a new high for the year was reached. Canadian copper advanced but fine silver lost approximately 2¢ per oz. during the month on a light turnover. Changes in other commodities were of slight importance.

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### Cost of Living in July

The Dominion Bureau of Statistics cost of living index remained unchanged at 78.8 for July. This compares with 78.2 for July, 1934. Firmer prices for eggs, onions, and certain meats, were offset by declines for butter, tea and coffee. Reduced prices for automobile tires, and to a lesser extent for hardware caused the sundries index to recede from 92.6 to 92.4, but the decline was not of sufficient importance to affect the general index.

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### Security Prices in July

Little activity was shown by common stocks during July and the Investors' Index registered only fractional gains or losses for the five weeks. This index was 94.8 (the lowest for the month) for the week ending July 4, and 95.4 for the final week of July. Industrials advanced gradually from 141.7 for July 4 to 143.8 for July 25 but fell to 143.7 for the last week. Only minor variations were recorded in the Utilities index when the index declined from 44.5 for July 4 to 44.4 for July 11 and then moved upward to 45.3 for the week ending August 1. The downward trend of prices of gold stocks during May and June was continued for the first four weeks in July and the index declined steadily from 112.1 for the week of July 4 to 109.1 for the week of July 25. This index was lower than for any preceding week of 1935 but it rose to 109.2 for the week of August 1. The index for Dominion of Canada long-term bonds showed fractional losses for the weeks of July 5, 12, 19 and 26, being 73.3, 72.4, 71.9 and 71.5 respectively but mounted to 71.6 for the week ending August 1.

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### Foreign Exchanges

Foreign exchanges were unsettled during July. Declines occurred in gold "bloc" currencies following the sharp break in the French franc in the early part of the month, and later on reports indicating severe pressure on the Dutch guilder. The Italian lira depreciated moderately and the Roumanian leu dropped abruptly subsequent to unconfirmed reports of a 30 p.c. devaluation in that country. With the strengthening of the guilder in the closing days, gold currencies advanced. New York funds at Montreal ranged between 100 1/8 and 100 13/32. Sterling rose from 4.95 1/2 on the 1st to 4.98 on the 8th but dropped back to 4.96 5/8 on the 31st. The French franc moved down from 6.66 on the 2nd to 6.63 1/2 on the following day and after rising and falling intermittently closed at 6.63 1/2. The Dutch guilder dropped from 68.45 on the 1st to 67.35 on the 24th but by July 31st had moved up to 68.20.

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### Weekly Index Numbers of Wholesale Prices

The index number of wholesale prices on the base 1926=100 advanced from 71.4 for the week ending July 26 to 71.8 for the week ending August 2. Price changes reported were largely upward and occurred chiefly in food stuffs and non-ferrous metals. Vegetable Products mounted from 66.1 to 67.0. Wheat rose sharply toward the first of the week and flour and milled products moved up also. Canadian Farm Products advanced from 61.1 to 62.3. Field Products rose from 55.4 to 56.8.

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### Imports of Farm Implements and Machinery

Implements for the farm imported during June were valued at \$642,217 compared with \$662,064 in May, and \$292,452 in June, 1934. The main supplying country was the United States with \$570,804, followed by the United Kingdom with \$33,293. Internal combustion traction engines, valued up to \$1,400 each, was the largest item, the import being 383



engines at \$282,455, of which 369 came from the United States. Parts for the foregoing engines were imported to the value of \$132,268, the amount coming from the United States \$131,467. Cream separators and parts amounted to 1,112 at \$40,320, mainly from the United Kingdom, Sweden, United States and Germany in the order named.

#### Export Clearances of Wheat

Export clearances of wheat from the commencement of the crop year to July 31 amounted to 117,992,625 bushels as compared with 155,304,755 to July 27, 1934. Clearances were as follows, with last year's figures in brackets: Vancouver-New Westminster 48,490,952 (48,514,503) bushels; Montreal 25,426,632 (46,637,934); United States ports 22,027,000 (26,938,000); Saint John 5,022,924 (5,601,996); Sorel 4,373,754 (8,096,804); Churchill 4,049,877 (2,707,891); Halifax 2,891,730 (1,942,691); Quebec 2,490,304 (12,864,284); Prince Rupert 2,228,949 (nil); Victoria 925,523 (nil).

#### Prairie Crop Conditions

Compared with prospects a month ago, there has been a calamitous lowering of the yields and grades of wheat in Manitoba and Saskatchewan because of stem rust. The infection struck the crop earlier than in 1916 and the crop itself was not so well advanced. Beyond any doubt, the losses will be relatively more severe than in 1916. The weather continues hot and humid in the areas already severely infected and the spread westward and northward into new districts is continuing rapidly. Saskatchewan is now infected as far west as the third meridian -- roughly, two-fifths of the farm land and one-third of the wheat acreage in the province. In the districts further west and north, the losses will not be as severe as in Manitoba and south-eastern Saskatchewan, but with harvest still two weeks ahead, there is, at the best, a very uncertain outlook. In the areas first affected, considerable damage to coarse grains will also result; barley will probably be the best crop because of its early maturity.

Apart from the rust-infected areas, the crops continued to make good progress. Temperatures remained high enough to promote ripening and some good rains fell in Saskatchewan and Alberta districts where they could be of greatest benefit. Serious hail losses are again reported in the fine crops of west-central Alberta. Grasshoppers are migrating and causing limited damage. Pastures, except in small areas, are very good and food prospects are much improved in comparison with last year.

#### Leather Footwear in June

The total production of leather footwear by 190 factories in June was 1,756,304 pairs, a decrease from the preceding month of 276,447, but an increase over June, 1934, of 29,775 pairs. The output consisted of 1,619,932 pairs of boots and shoes with leather or fabric uppers; 11,227 of shoe-packs, larrigans and moccasins; 22,401 of footwear with felt uppers; and 102,374 of slippers of various kinds. The reporting factories are located by provinces as follows: Nova Scotia 2; New Brunswick 4; Quebec 111; Ontario 63; Manitoba 3; Alberta 1; and British Columbia 6. Imports during the month were valued at \$45,198 and the export \$22,787.

#### Rubber Imports in June

Rubber imports in June amounted to the value of \$555,958 as against \$775,110 in June, 1934. The import from the United States was valued at \$244,913 and from Straits Settlements \$214,278. The large item was raw rubber, the import being 3,215,286 pounds at \$369,753 as against 4,946,790 at \$536,391. The Straits Settlements supplied more than half of the raw rubber imported amounting to 2,041,260 pounds, followed by the United States with 919,539, Ceylon 184,800, Belgium 84,753 and the United Kingdom 14,934.

#### Wheat Stocks in Store

Canadian wheat in store on July 31 amounted to 197,290,515 bushels as compared with 192,215,088 a week earlier and 187,440,259 on the same date last year. Canadian wheat in the United States was shown as 10,508,493 bushels as against 9,727,315. Wheat in transit on the lakes is reported as 5,959,571 bushels compared with 4,982,140 a week earlier. United States wheat in Canada amounted to two bushels with no change from last year.



Economic Conditions in Canada register a marked  
Improvement over the first half of 1933 and 1934

A marked improvement in economic conditions in Canada since the low point of the depression, is indicated by the trend of the major economic factors since the early months of 1933. The index of the physical volume of business, based on 45 factors showing the general trend of manufacturing, mining, construction, power and distribution, showed a gain of no less than 37 p.c. in the first half of 1935 over the same period of 1933. This record in the elapsed portion of the present year was 98.8 as against 72.0. A marked gain was shown in business operations during the central part of 1933 and the upward trend has continued at a somewhat diminished rate down to the present time.

Owing to the resumption of operations on a considerable scale and the advance in commodity prices, the prospects for corporation profits have shown marked betterment. The gain in fundamental conditions was reflected in the rise in common stock prices. The advance in the index was from an average of 58.1 in the first half of 1933 to 89.1 in the same period of 1935, the indicated gain being more than 53 p.c.

Measured by an index of manufacturing production based on 29 factors, the level of operations in the first half of 1935 was nearly 37 p.c. greater than in the same period of 1933. Of the 16 years in the post-war period only five - those from 1926 to 1930 - showed greater activity than was displayed in the first half of 1935. The index on the base of 1926 averaged 94.3 in the first half of 1935 against 68.9 in the same period of 1933.

The index of mineral production, based on nine factors, indicates that the progress since 1933 has been greater than in most of the other main branches. A gain of more than 38 p.c. was shown over the early months of 1933. The gain in copper exports was nearly 78 p.c., while nickel recorded an increase of 90 p.c. Lead production and zinc exports were up 23 p.c. and 60 p.c., respectively. Gold shipments were up 4.3 p.c., while shipments of silver declined 6.1 p.c.

The construction industry was more successful in obtaining new business in the first six months of 1935 reflecting a considerable resumption of operations. The total of contracts awarded in the first half of 1935 was \$75,595,000 against \$32,912,300, a gain of 130 p.c. The gain in building permits was 113 p.c.

The output of electric power reached a new high point in the first half of 1935, the gain over the same period of 1933 having been 41 p.c.

Comparison with the First Half of 1934

The constructive tendencies in evidence during the second and third quarters of 1933 have continued in operation, but the pace of recovery during the last eighteen months was not so rapid. The index of the physical volume of business averaged 98.8 in the first half of 1935 against 92.4 in the same period of last year, a gain of nearly 7 p.c. The construction and power industries showed expansion greater than the average, while manufacturing, mining and external trade also recorded substantial gains.

The gain in motor car production was 35.6 p.c. and the output of pig iron showed further expansion. The resumption of activity in the construction industry was reflected in a gain of 24 p.c. in contracts awarded. The output of electric power showed an increase of nearly 10 p.c.

The statistics of banking operations disclose a considerable decline in current and call loans in the present comparison. Bank deposits, on the other hand, recorded a gain of 6.4 p.c. The natural results were that the security holdings averaged nearly 19 p.c. greater, and readily available assets were up 17.4 p.c.

Export of Farm Implements and Machinery

Canada's export of farm implements and machinery was valued at \$710,244 in June compared with \$602,243 in May, and \$327,192 in June, 1934. Ploughs and parts exported were valued at \$178,868 compared with \$82,988, the leading markets being British South Africa with \$99,304, United States \$40,779, United Kingdom \$18,034 and Argentina \$8,959. Reapers-threshers were sent out to the value of \$159,163, the amount to Argentina being \$132,496.



### Zinc Production

Zinc production in Canada during May amounted to 27,387,675 pounds; in April 23,611,883 were produced and in May, a year ago, the total was 26,132,534 pounds. The production during the first five months of 1935 totalled 124,719,085 pounds or 7.7 per cent above the output in the corresponding months of 1934.

The average price of zinc on the London market, in Canadian funds, was 3.176 cents per pound in May as compared with 2.798 in the preceding month. Valued at these prices the Canadian output during these two months was worth \$369,997 and \$660,696, respectively.

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### World Zinc Production

The zinc production of the world in May totalled 123,807 tons or 3,994 tons per day; in April 120,353 tons or 4,012 tons a day were produced. A 2.1 per cent decline was shown in the United States production; the month's output was 34,597 tons as against 35,334 in April. The Anglo-Austrian, Belgium and Netherlands outputs were at approximately the same levels as in the preceding month.

Zinc stocks held in the United States on May 31 amounted to 107,625 tons; this represented a decline of 1,055 tons during the month. At the end of May the London Metal Exchange official warehouses contained 3,513 tons of duty free zinc and 8,842 imported in bond; on April 30 stocks included 3,793 tons of duty free and 8,669 imported in bond.

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### July Export of Wheat

The July export of wheat amounted to 9,158,035 bushels, of the value of \$7,213,629, the average export price being 78.8 cents. In July last year the export was 12,979,251 bushels at \$10,425,635, at an average export price of 80.3 cents.

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### Wheatflour Export in July

The export of wheatflour in July totalled 395,232 barrels valued at \$1,459,983, at an average price of \$3.69. During July last year 408,028 barrels were exported at a value of \$1,475,979, the average export price being \$3.62.

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### Reports Issued During the Week

1. The Dairy Situation in Canada.
2. Gypsum Production in Canada, May.
3. Imports of Lumber, June.
4. Imports and Exports of Hides and Skins, June.
5. Imports and Exports of Fertilizers, June.
6. The Footwear Trade of Canada, June.
7. Index Numbers of Security Prices.
- 8. Canadian Grain Statistics.
9. Canadian Milling Statistics.
- 10. Carloadings on Canadian Railways.
11. Index Numbers of 23 Mining Stocks.
12. Imports of Paints and Varnishes, June.
13. Foldspar and Salt Production, May.
14. Imports of Coffee and Tea, June.
15. Imports of Non-Ferrous Ores and Smelter Products, June.
16. Imports and Exports of Pipes, Tubes and Fittings, June.
17. Summary of Trade of Canada, June.
18. Butter, Cheese and Eggs in Cold Storage.
19. Price Movements in July.
20. Business Conditions in Canada in the first half of 1935.
21. Imports of Farm Implements and Machinery, June.
22. Exports of Farm Implements and Machinery, June.
23. Weekly Index Numbers of Wholesale Prices.
24. Telegraphic Crop Report, Prairie Provinces.
25. Consumption of Luxuries in Canada, 1932 and 1933.
26. Imports of Stoves, Sheet Metal Products and Refrigerators, June.
27. Imports of Rubber, June.
28. Production of Leather Footwear, June.
29. The Distilled Liquor Industry in Canada, 1934.
30. Silver, Lead and Zinc Production, May.





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