

WEEKLY BULLETIN

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Business Conditions in the United States, while Showing Improvement in 1935, were, relative to the base year of 1926 less Satisfactory than in Canada

Despite encouraging developments in the United States, the relative standing of industrial activity was considerably better in Canada. The comparative position of the two countries may be measured by indexes of industrial production expressed as a percentage of the average for 1926.

The index of industrial production in November last was 114 for Canada against 90 for the United States, the position in Canada showing a relative betterment of 27 p.c. The index of mineral production was 72 p.c. greater than that of the United States and manufacturing was 31 p.c. greater. Of the fifteen factors considered in this connection, only three Canadian indexes were lower than the corresponding indexes of the United States.

The United States witnessed, during 1935, a fairly steady betterment in economic conditions. There were no serious setbacks and in this respect the business history of the year was the best since the beginning of the depression. The second quarter of the year brought with it a recession but it was temporary and not comparable with those of the two preceding years, and taking 1935 as a whole the statistics indicate a decided improvement. The betterment in business sentiment is very definite though most evident in the last few months.

A table setting forth these results follows:

Comparative Indexes of Production in the United States and Canada for the Latest Available Month (1926=100 for both Countries), United States Indexes being as published in the Federal Reserve Bulletin but transferred to the base of 1926

	Canada November, 1935	United States November, 1935	Percentage Increase or decrease for latest month in Canada over United States
Total Industrial Production	114	90	+27
Mining	146	85	+72
Coal	95	65	+46
Silver	78	79	- 1
Zinc	141	72	+96
Manufacturing	119	91	+31
Iron and Steel	115	85	+35
Automobiles	115	106	+ 9
Textiles	106	103	+ 3
Food Products	97	85	+14
Tobacco	152	122	+25
Leather and Shoes	93	104	-11
Petroleum Refining	224	139	+61
Construction	39	47	-17
Carloadings	67	62	+ 8
October			

Common Stock Prices Reflect Betterment in the Economic Situation

The higher level of industrial operations and the relative stability of commodity prices favoured the revenue prospects of Canadian corporations in the year just ended. Despite the diversity of interests among the buyers and sellers of stocks, the present and prospective profits of corporations are by far the most important consideration in determining the prices of their stocks. Hence stock market trends are significant of the business community's appraisal of the future, as well as of the actual tendencies of the present.

Stock prices in the early months of the year moved into a new high position on the recovery, showing a definite lead over the level of 1934. Further marked advance was shown in the last quarter, the official index recording in the last week of the year a

gain of 25.4 p.c. over the same week of 1934. The beverage, oil and miscellaneous stocks participated fully in the advance, the gain in the index of 87 industrials being nearly 41 p.c. The modest increase of 6.3 p.c. was shown in the index of 16 power and traction stocks.

Gold stocks declined 6.2 p.c. on the mining exchange, while an advance of nearly 56 p.c. was recorded in base metals.

It is unofficially announced that during 1935 Canadian corporations declared dividends totalling about 213 million dollars against 186 million in 1934 and 193 million in 1933. Recent months have witnessed notable progress in the direction of action on accumulated arrears, and bonus disbursements contributed to the marked gain in dividend payments during the year just ended.

Indexes of Industrial and Mining Stock prices at the year-end
as compared with the same week of 1934 (1926=100)

	Dec. 27, 1934	Dec. 26, 1935	Per Cent Increase + Decrease -
Grand Total	87.9	110.2	+ 25.4
Industrials			
Total	125.0	176.1	+ 40.9
Iron and Steel	123.8	124.3	+ 0.4
Pulp and Paper	11.6	16.3	+ 40.5
Milling	70.7	77.6	+ 9.8
Oils	177.6	212.0	+ 19.4
Textiles and Clothing	72.4	70.7	- 2.3
Food and Allied Products	131.2	148.8	+ 13.4
Beverages	88.9	154.3	+ 73.6
Miscellaneous	164.8	291.5	+ 76.9
Utilities			
Total	47.4	49.4	+ 4.2
Transportation	28.4	27.6	- 2.8
Telephone and Telegraph	97.8	106.5	+ 8.9
Power and Traction	59.0	62.7	+ 6.3
Companies Abroad			
Total	109.6	120.1	+ 9.6
Mining Stocks			
Total	124.7	133.3	+ 6.9
Gold	124.7	117.0	- 6.2
Base Metals	128.3	199.8	+ 55.7

The chart on page 4 shows the percentage changes in the groups of the official classification of industrial and mining stocks in the last week of 1935 from the same week of the preceding year.

The Economic Index Concluding the Year With A Satisfactory Gain Averaged 6.6 p.c. Greater In 1935 Than in the Preceding Year

A further gain was shown in the economic index during the last week of the year. Except for a decline in September, the economic index recorded a steady performance in 1935. The index fluctuated within narrow limits from the 100 p.c. line. The decline in September, mainly due to the drop in government bond prices, was counterbalanced by the advance of the last quarter. The average of the economic index during the year just ended was 99.7 compared with 93.5 in 1934. The gain of 6.6 p.c. represents the betterment in economic conditions over the preceding year. A much greater advance, was, of course, shown over the relatively low levels of 1933.

An upward trend was shown in the economic index during the last quarter of 1935, the advance being continued in the last week of the year. The standing in that week was 102.0 as compared with 100.3 in the preceding week. The gain was consequently 1.7 p.c., reflecting the gain in carloadings, bond prices and bank clearings. Moderate declines were shown in commodity and common stock prices, while speculative trading was considerably less active than in the preceding week. The considerable gain in carloadings and bank clearings was the main influence in raising the index for the week.

Following a period of relative inactivity in the railway freight movement, adjusted gains have been shown for the last three weeks. The index of carloadings in the 51st week of the year was 72.2 against 69.1 in the preceding week. Gains have been recorded

since the 48th week when the index was 66.1. The gain in the week under review over the preceding week was $4\frac{1}{2}$ p.c. The total freight movement in the first 51 weeks of the year was 2,321,000 cars against 2,291,000 in the same period of 1934. The gain of 30,431 cars was due to the greater movement of six commodity groups out of the eleven in the official classification. The chief increase, that of 24,024 cars, occurred in miscellaneous commodities consisting mainly of manufactured goods. Gains were also shown in pulpwood, pulp and paper, other forest products, ore and l.c.l. merchandise. The chief decline was recorded in grain where the deficit was 11,693 cars. Minor declines were also shown in live stock, coal, coke and lumber.

The index of commodity prices receded slightly in the last week of the year, the index dropping from 72.8 to 72.6. Wheat averaged slightly lower on the Winnipeg grain exchange, while coarse grains were somewhat stronger. Live stock prices were irregular on the Toronto stockyards, cattle showing a slight decline, while bacon hogs advanced from 8.29 cents per pound to 8.75 cents. Tin and silver showed decline on the New York metal markets, while other non-ferrous metals were unchanged.

Bond prices strengthened slightly in the week under review, but were somewhat below the same week of 1934. The five per cent 1943 Dominion Government bond was bid at $111\frac{1}{4}$ on December 28 against 111 on September 21. The bid quotation for the $4\frac{1}{2}$ per cent 1944 bond was $109\frac{1}{2}$ against $109\frac{1}{4}$ and the $4\frac{1}{8}$ per cent 1946 bond was $109\frac{1}{4}$ against 109 in the same comparison.

The index of common stock prices receded slightly in the week ended December 26, the gain over the same week of 1934 being 25.4 p.c. The index of industrials was unchanged from the preceding week at 176.1, while the index of 16 power stocks showed a slight gain from 62.3 to 62.7.

The index of bank clearings was 104.3 compared with 94.0 in the preceding week, a gain of 11 p.c. The increase over the same week of 1934 was 10.8 p.c.

Weekly Economic Index with the Six Components
1926 = 100

Week Ended	Car load-ings ¹	Wholesale Prices	Index of Inverted Bond Yields ²	Bank Clear-ings	Prices of Common Stocks	Shares Traded	Economic Index
Dec. 29, 1934	71.3	71.3	142.0	94.1	87.9	98.6	100.6
Dec. 21, 1935	69.1	72.8	134.4	94.0	110.8	226.1	100.3
Dec. 28, 1935	72.2	72.6	134.8	104.3	110.2	154.6	102.0

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.

Preserved Fruits

Imports of canned and preserved fruits in November totalled in value \$205,775 as against \$234,147 a year ago. The largest item was pineapples at \$97,383, the major portion of which, at \$85,151, came from the Straits Settlements.

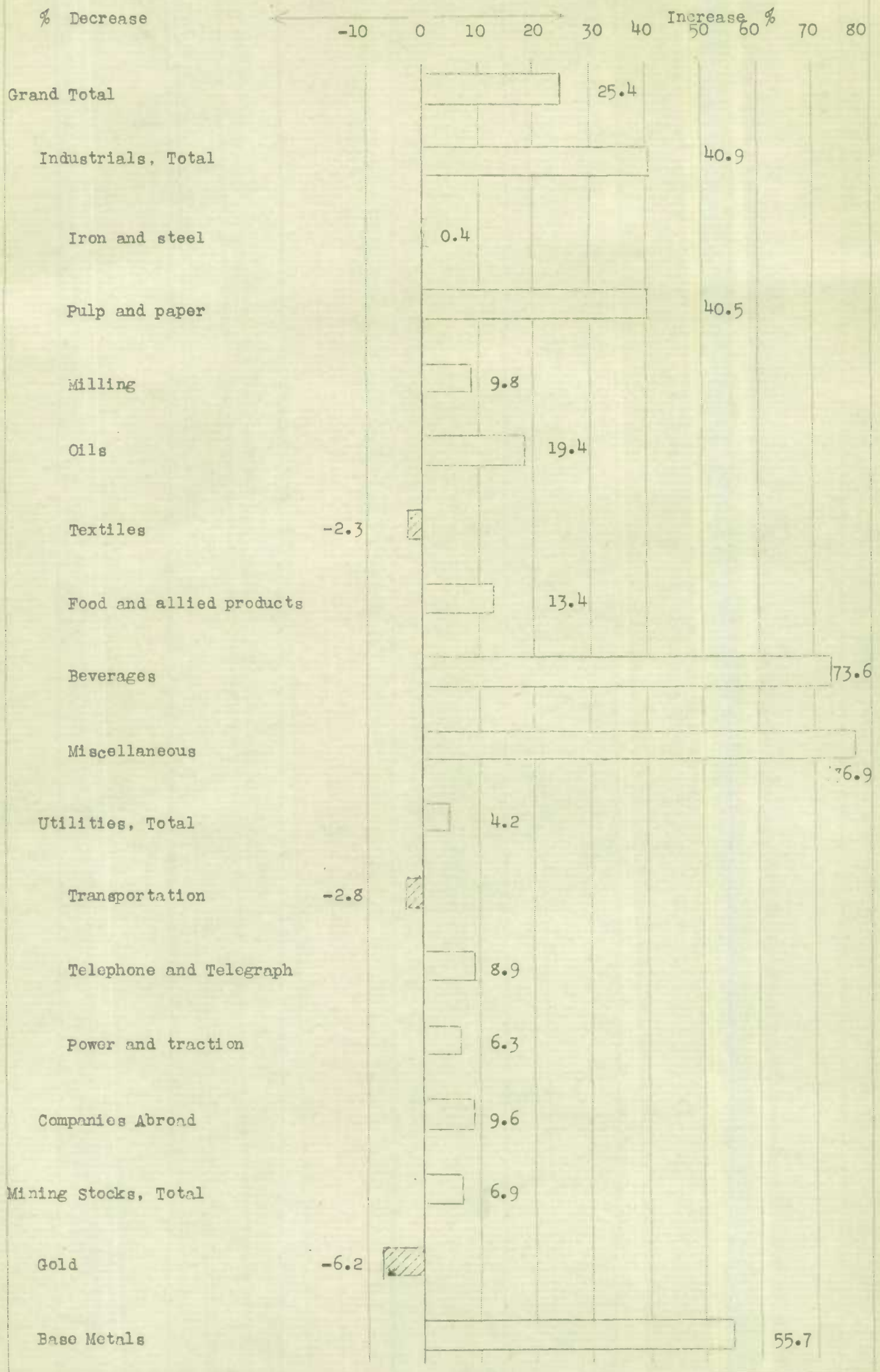
Bank Debits to Individual Accounts in November

Financial transfers in the form of bank debits to individual accounts showed a slight gain in November over the preceding month. The amount of cheques cashed showed a gain of nearly one per cent greater than normal for the season. The Dominion total in November was \$3,021,500,000 against \$3,092,200,000 in the same month of last year, a decline of 2.3 per cent. Debits in the first eleven months of 1934 were \$28,613,000,000 as against \$29,827,000,000 in the same period of 1934. The decline, consequently, was \$1,213,000,000, or slightly more than 4 per cent.

Index of Retail Sales in November

The index of the value of retail sales in Canada for November, 1935, was 72.2 as compared with 73.1 for October and 72.5 for September of this year (base 1930=100). The November index, while slightly below the October and September figures, shows an improvement of 3.3 per cent over the level of retail trade in November, 1934, when the index stood at 69.9. It also shows an improvement of 7.8 per cent over the November, 1933, figure of 67.0.

INDEXES OF INDUSTRIAL AND MINING STOCK PRICES AT THE YEAR-END
AS COMPARED WITH THE SAME WEEK OF 1934 (1926 = 100)



Employment in 1935

A brief review of general employment conditions at the end of the year shows that the index of 104.6 at December 1 was 10.8 p.c. higher than at the beginning of 1935; since the average advance between January 1 and December 1 in the last fourteen years has been between seven and eight per cent, the improvement effected during the year now drawing to a close has considerably exceeded the normal. An outstanding feature of the 1935 situation has been the pronounced and general revival in manufacturing, although most of the industries included in the monthly surveys of employment showed decided betterment as compared with the last few years. Geographically, the recovery has also been widespread.

Increased Export of Wood in November

The export of wood in November was of the value of \$3,687,030 compared with \$2,916,554 a year ago. The larger of 35 markets were the United Kingdom with \$1,664,383, United States \$1,452,469 and Australia \$156,461. Of the total for the month planks and boards accounted for \$2,660,154 compared with \$2,321,022. The following were the chief classifications with the November 1934 figures in brackets: Douglas Fir planks and boards \$859,057 (\$660,121), spruce planks and boards \$755,897 (\$875,123), pine planks and boards \$465,206 (\$357,316), birch planks and boards \$256,218 (\$191,101), Douglas Fir square timber \$117,949 (\$129,572), shingles \$657,583 (\$335,556), laths \$101,609 (\$39,169), pickets \$59,639 (\$14,680), cedar planks and boards \$113,922 (\$36,104), hemlock planks and boards \$92,119 (\$111,173), maple planks and boards \$49,976 (\$40,240).

Twelve Months' Trade with Empire Countries

During the twelve months ending November the total trade of Canada with British Empire countries, amounting to \$544,097,000, was a 10 per cent increase over the previous twelve months and over 41 per cent greater than in the twelve months ending November, 1933. Domestic exports to Empire countries at \$369,408,000 increased 10 per cent and 47 per cent, while imports at \$173,537,000 increased 10 per cent and 32 per cent. Exports to Empire countries were more than twice the imports received from them.

Exports to the United Kingdom, amounting to \$297,141,000 in the twelve months ending November, increased nine and 43 per cent, while imports at \$116,798,000 increased two and 21 per cent. Exports to Great Britain were more than twice the imports.

Twelve Months' Trade with Foreign Countries

During the twelve months ending November, the total trade with foreign countries, amounting to \$740,364,000, was an increase of 11 per cent over the previous twelve months and over 36 per cent greater than in the twelve months ending November 1933. Domestic exports to foreign countries at \$352,742,000 increased 14 and 29 per cent, while imports at \$377,315,000 increased seven and 43 per cent. Imports from foreign countries exceeded the exports.

Exports to the United States, amounting to \$267,917,000, increased 27 and 63 per cent, while imports at \$314,062,000 increased eight and 46 per cent. Imports from the United States exceeded the exports.

Export of Newsprint

Newsprint paper export in November was of the value of \$8,230,189 compared with \$7,678,966 a year ago. The leading countries of destination were: United States \$6,169,838, United Kingdom \$436,610, Argentine \$311,043, Japan \$251,705, Australia \$249,896, China \$222,513, New Zealand \$111,775, Chile \$71,402. Newsprint went to 37 countries in November. The export of wood pulp and screenings was valued at \$2,650,697, compared with \$2,127,250 and of pulpwood \$444,700 compared with \$465,014.

Exports of Fresh Fruits

November exports of fresh fruits amounted to \$2,292,150, as compared with \$1,753,085 a year ago. The leading item was apples at \$2,267,422, the large purchaser being the United Kingdom at \$2,157,047, with Brazil next with \$19,257. Canadian apples went to 31 countries in November.

Imports of Fresh Fruits

Imports of fresh fruits in November were of the value of \$987,771, as against \$935,686 a year ago. Bananas, chiefly from the West Indies, amounted to \$111,461, cranberries from United States \$76,533, grape fruit from United States, West Indies, British Honduras, Hong Kong and Honduras \$107,341, grapes from United States, United Kingdom, Belgium and Spain \$214,637. Most of the fruits came from the United States to the value of \$807,981. Lemons from Italy were valued at \$9,762.

Nickel Production in October

Canada produced 13,357,653 pounds of nickel in October as compared with 12,896,865 in the preceding month and 8,893,458 in October, 1934. Production during the ten months ending October totalled 110,945,307 pounds, or an increase of 4.8 per cent over the output in the corresponding period of 1934.

Production of Copper in October

The Canadian production of copper in October advanced to 35,434,829 pounds from the preceding month's total of 33,941,168 pounds, and the October, 1934, output of 32,888,933. Blister production at 32,910,807 pounds in October compared with 32,497,720 a year ago. During the ten months ending October copper production amounted to 347,955,175 pounds as against 299,191,278 in the same period of 1934.

Electrolytic copper quotations on the London market, in Canadian funds, averaged 8.80 cents per pound in October; the September average was 8.42 cents. Based on these prices the October output was worth \$3,118,988 and the September \$2,858,108.

Motion Picture Statistics in 1934

The receipts of 799 motion picture theatres in Canada during 1934 were \$25,280,300 compared with \$24,897,100 in 1933 and \$38,479,500 in 1930. The business of motion picture theatres thus showed an increase of 1.5 per cent in 1934 over the preceding year. The 64 film exchanges in Canada had gross receipts of \$7,618,700 in 1934 or 9.4 per cent higher than in 1933. The largest increase is shown for the province of British Columbia with a gain of 6.6 per cent in theatre receipts in 1934 over 1933.

Attendance in 1934 reached the total of 107,718,000 for Canada as a whole. The province of Ontario accounted for 45,747,000 and Quebec for 24,466,000. It is difficult to estimate the average number of times persons attend motion picture houses in a year, but if we exclude children under 5 years of age (under 16 years of age in Quebec) from the total population, it may be said that theatre-goers attend about once a month. This is the average for the country, and in the larger cities the attendance runs, on the average, from 20 to 35 times a year. Attendance at city theatres, however, is affected by the patronage of tourists, visitors and other non-residents of the area so that the average attendance of city dwellers is not as high as the figures would suggest.

Export of Rubber in November

The export of rubber products in November was of the value of \$1,121,095 in contrast with \$913,232 a year ago. Pneumatic tire casings was the largest item as usual, the value being \$562,316. These went to 75 countries, the leading purchasers being British South Africa \$118,854, Persia \$65,299, Sweden \$40,597, Netherlands \$38,767, Brazil \$37,081, Egypt \$24,076, Denmark \$21,349, New Zealand \$32,322, Chile \$19,353, British East Africa \$17,648, Portugal \$14,312, Jamaica \$14,728. Rubber boots and shoes amounted to \$297,578, of which \$258,821 went to the United Kingdom and \$22,403 to Newfoundland.

Vegetable Oils

Vegetable oils imported in November were valued at \$1,307,052 compared with \$1,052,994. The following were the chief items: chinawood oil \$53,973, coconut oil \$165,465, olive oil \$117,227, of which \$81,540 came from Italy, peanut oil \$220,716, palm oil \$340,855. Exports of domestic vegetable oils were valued at \$36,732 compared with \$6,611.

Wheat Stocks and Movement

Overseas export clearances of wheat during the week ending December 27 amounted to 2,747,317 bushels as against 805,554 bushels in the same week of 1934, an increase of 1,941,763. Clearances for the period August 1 to December 27 totalled 55,344,028 bushels as against 58,000,383 in the same period of 1934.

Marketings in the Prairie Provinces during the week of December 20 totalled 2,738,574 bushels as against 2,501,578 in the corresponding week of 1934. The total from the commencement of the crop year to December 20 was 178,521,792 bushels as against 173,127,383.

The visible supply of Canadian wheat on December 27 amounting to 261,791,290 bushels shows a decrease of 3,257,456 bushels when compared with the previous week and an increase of 3,698,198 bushels in comparison with the corresponding week of 1934.

Vital Statistics in November

Births registered in 66 cities and towns in November numbered 6,151, deaths 3,813 and marriages 3,211 as compared with 6,239 births, 3,613 deaths and 2,838 marriages in November last year, showing a decline of $1\frac{1}{2}$ per cent in births and increases of $5\frac{1}{2}$ per cent and 13 per cent in deaths and marriages, respectively.

Births registered during the eleven months January - November of this year totalled 73,558, deaths 43,748 and marriages 32,522 as against 73,025 births, 41,687 deaths and 30,521 marriages during the corresponding eleven months of last year. This comparison shows increases of 1 per cent in births, 5 per cent in deaths and 6 per cent in marriages.

Reports Issued During the Week

1. Weekly Index Numbers of Wholesale Prices.
2. Imports and Exports of Soap in November.
3. Imports and Exports of Pipes, Tubes and Fittings, November.
4. The Footwear Trade of Canada, November.
5. Bank Debits to Individual Accounts, November.
6. Imports of Coffee and Tea, November.
7. Imports and Exports of Hides and Skins, November.
8. Imports and Exports of Fertilizers, November.
9. Births, Deaths and Marriages, November.
10. Changes in the Value of Retail Sales, November.
11. Index Numbers of Security Prices.
12. Imports and Exports of Canned and Preserved Fruits, November.
13. Imports and Exports of Wire, November.
14. Imports and Exports of Vegetable Oils, November.
15. Exports of Rubber and Insulated Wire and Cable, November.
16. Motion Picture Statistics, 1934.
17. The Asbestos Trade of Canada, November.
18. Imports and Exports of Fresh Fruits, November.
19. Financing of Automobile Sales, November.
20. Imports and Exports of Fresh Vegetables, November.
21. Asbestos Production in Canada, October.
22. Copper and Nickel Production, October.
23. Index Numbers of 23 Mining Stocks.
24. The December Employment Situation, 1935.
25. Exports of Pulp Wood, Wood Pulp and Paper, November.
26. Exports of Canadian Lumber, November.
27. Canada's Monthly Trade Trends with Foreign Countries, November.
28. Canada's Monthly Trade Trends with Empire Countries, November.
29. Canadian Grain Statistics.
30. Car Loadings on Canadian Railways.
31. Agricultural Statistics, November, 1935.

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