

WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce

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Weekly Review of Economic Statistics - The Economic Index Receded Less Than One p.c. from the High Point Of the third Week of February and was 8.2 p.c. greater Than in the Same Week of Last Year

Owing mainly to a decline in bank clearings, the economic index showed a decline of 0.7 per cent in the last week of February. In the preceding week, the economic index had reached a higher point than in any other week during the period of observation from January 1933 to the present. Three of the six components recorded gains in the last week of February but the substantial decline in bank clearings had a predominant influence in depressing the general index. Gains were recorded in carloadings, speculative trading and in the inverted index of bond yields, while minor declines were shown in commodity and common stock prices. The index in the last week of February was 108.6 against 109.4 in the week of February 22nd.

The trend of the economic index was sharply upward during the first two months of the year contrasting with a downward movement in the same period of 1935. The result was that a substantial lead was shown in the last week of February over the same week of 1935. Five of the six major factors considered in this connection showed gains over the same week of last year. The only exception was carloadings, which registered a decline of 3.2 per cent. The most significant gain was shown in common stock prices, the index of which moved up from 88.8 in the corresponding week of 1935 to 126.7, a gain of 42.7 per cent. The index of bank clearings showed a gain of 30.7 per cent and minor increases were shown in wholesale prices and the inverted index of bond yields. The net result was that the economic index was 108.6 against 100.4, a gain of 8.2 per cent.

The index of carloadings was greater in the eighth week than in any other week of the present year. The gain in the index over the seventh week was 0.7 per cent, the advance having been from 74.3 to 74.9. Only four out of the eleven commodity groups showed declines from the first eight weeks of last year. The drop in miscellaneous commodities and pulpwood was substantial, having a strong influence upon the general result. Substantial gains were shown in grain, coke and pulp and paper. The total freight movement during the first eight weeks of the present year was 321,654 cars against 339,117 in the same period of last year.

The market for Dominion Government bonds continued strong during the first two months of the year, an appreciable advance being recorded by the weekly index of inverted bond yields. The 1947-57 $4\frac{1}{2}$ per cent bond was quoted at 109 $\frac{1}{4}$ on February 29 against 109 on February 20. The bid quotation for the 4 per cent 1947-52 bond was 106 $\frac{3}{4}$ against 106 $\frac{1}{2}$. Common stock prices receded slightly from the high level of the preceding week. Further gains were recorded by steel, textile, food and beverage stocks, but losses, chiefly in oils and pulp and paper, slightly outweighed the gains in the industrial section. The index of 19 power stocks advanced from 71.5 to 72.4. The general index of 112 stocks receded from 126.9 to 126.7.

Wholesale prices were nearly maintained, the index having been 72.5 against 72.6. Wheat and coarse grains, aside from rye, recorded moderate advances on the Winnipeg grain exchange. Live stock prices receded at Toronto. Metal markets were strong in New York, gains being recorded by tin, lead and zinc. Copper and silver were maintained at the levels of the preceding week. The gain in lead was from 4.525 cents per pound to 4.625 and zinc at East St. Louis advanced from 4.85 cents per pound to 4.90. Canadian prices of copper, tin and zinc recorded advances.

The index of bank clearings, after taking the three weeks' moving average for smoothing purposes, was 110.3 against 118.5 in the preceding week.

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 ³	Prices of Common Stocks	Shares Traded	Economic Index
March 2, 1935	77.4	72.3	139.9	84.4	88.8	126.1	100.4
Feb. 22, 1936	74.3	72.6	141.2	118.5	126.9	445.0	109.4
Feb. 29, 1936	74.9	72.5	141.4	110.3	126.7	478.0	108.6

1. The index of carloadings is projected forward one week to correspond with the practice in computing the economic index. 2. Cost 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.

Notice Deposits and Security Holdings Of the Banks Registered Gains in January

A moderate gain in notice deposits during January was in sharp contrast to the declines in demand deposits and in current loans. The upward trend of notice deposits in evidence for four months was continued in January, the total at January 31 having been \$1,499,000,000. Demand deposits, on the other hand, showed from December 31 a decline considerably greater than normal for the season.

The decline in current loans, after seasonal adjustment, was 6.8 per cent, the drop from January of last year amounting to 7.7 per cent. Security holdings of the banks reached a new high point in history at \$1,207,000,000, and quick assets advanced from \$1,395,000,000 at the end of the year to a high point of \$1,433,000,000. The notes in the hands of the public showed a gain, after seasonal adjustment, over the end of December, a marked increase also being shown over the same date of 1935.

Banking Factors -- in Dollars

	<u>Actual Amounts</u>		P.C. Inc.+ Dec.-	<u>Indexes 1926-100</u>		P.C. Inc.+ Dec.-
	<u>Jan.</u>	<u>Jan.</u>		<u>Dec.</u>	<u>Jan.</u>	
	1935	1936		1935	1936	
Demand Deposits	529,915,309	576,299,739	+ 8.8	112.2	104.1	- 7.2
Notice Deposits	1,412,377,612	1,498,797,270	+ 6.1	111.2	111.8	+ 0.5
Current Loans	819,381,139	756,418,932	- 7.7	88.4	82.4	- 6.8
Security Holdings	973,156,234	1,206,706,247	+24.0	219.3	227.4	+ 3.7
Call Loans, Canada	91,357,650	77,490,042	-15.2	57.8	55.1	- 4.7
Call Loans, Elsewhere	93,452,123	59,401,596	-36.4	25.4	23.7	- 6.7

Four Significant Factors

Four components of the economic index by weeks from the beginning of 1933 to the present time, are shown in the chart appearing on page 3. The indexes of wholesale prices and carloadings on the base of 1926 show a similar cyclical fluctuation in the last three years. The index of carloadings even after seasonal adjustment shows erratic fluctuations, while the level of commodity prices was relatively stable, especially after January, 1934.

The inverted index of bond yields rose sharply in 1934 and remained at an exceedingly high level during the greater part of 1935. The present level is practically equivalent to the peaks of last year. Even after taking the three week's moving average, the index of bank clearings showed erratic fluctuations, the trend having been upward for the last four months.

Germany's Imports of Wheat

Germany has ceased to be a large importer of wheat. Years ago -- in 1927 for example -- the German imports reached 95 million bushels; last year they were but five million. This, accordingly, has affected the various wheat producing countries. In 1928 Germany received from Canada 39 million bushels and in 1935 only 316,000. The supply from the Argentine has dropped from 35 million to 682,000, Hungary from 1½ million to 547, Poland from about two million to 215,000, Russia from five million to 395,000, United States from 28 million to 973 bushels and from Yugoslavia half a million to 778,000. Germany's largest supply from abroad in 1935 was received from France. It amounted to 1,343,000. Only once in the last ten years has this been exceeded; in five of these years there was none.

Production of wheat in Germany amounted in 1926 to 95 million bushels. In 1933 it was 206 million, but in 1935 had dropped back to 171 million.

Imports of Coffee and Tea

Imports of green coffee in January amounted to 3,125,726 pounds as against 2,402,259 last year. The largest supply, 1,020,216 pounds, came from British East Africa, Colombia 721,152, Jamaica 639,331, Brazil 420,539, United Kingdom 158,861. There was a small quantity of 528 pounds from Ethiopia. The total imports of coffee and chicory were valued at \$284,081 compared with \$278,641 last year.

Imports of tea aggregated 2,583,663 pounds compared with 2,480,497 in January, 1935. Black Ceylon tea amounted to 757,825 pounds, black tea of India 1,609,401 pounds, green tea of Japan 149,272.

1926 = 100

80

Four Components of the
Weekly Economic Index.

Wholesale Prices

Carloadings

70

60

50

-3-

150

Inverted Index of Bond Yields.

125

100

75

60

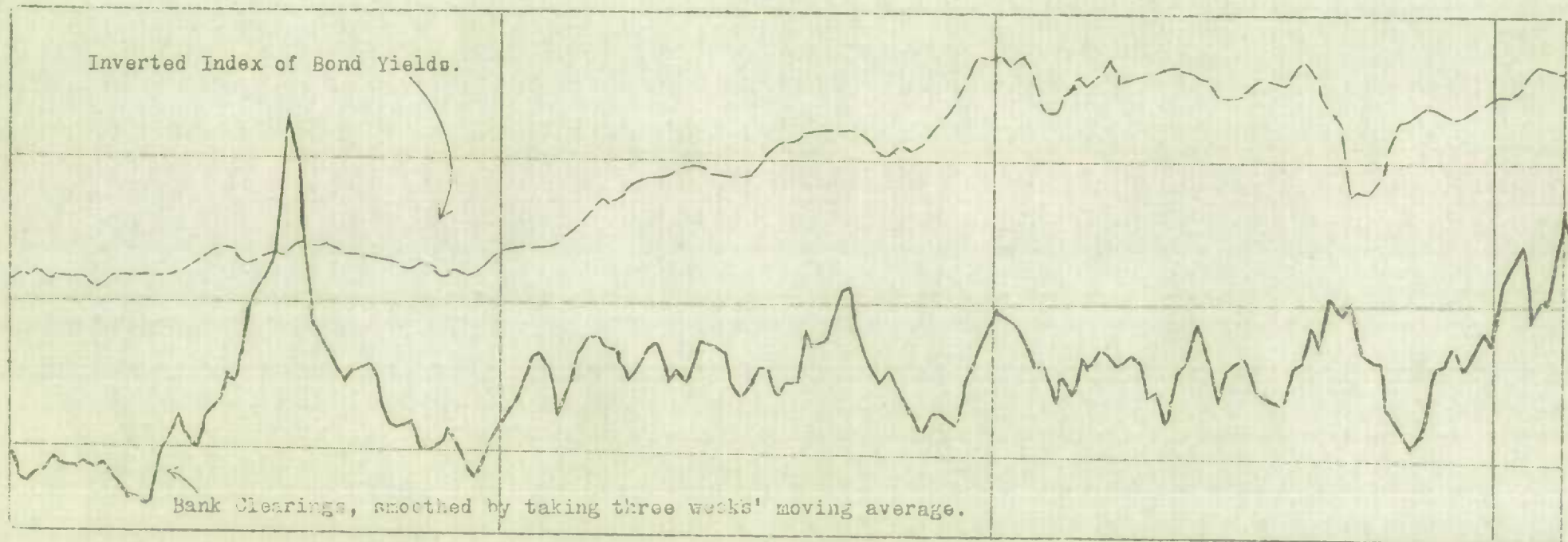
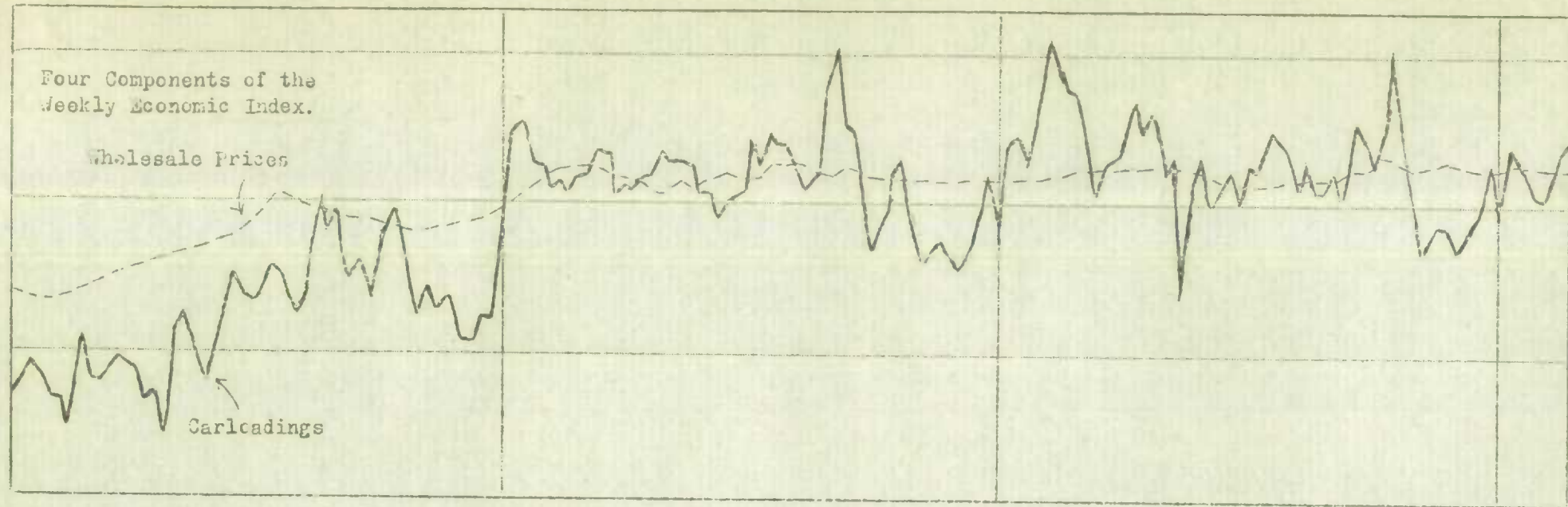
Bank Clearings, smoothed by taking three weeks' moving average.

1933

1934

1935

1936



Fur Goods

Production in the fur goods industry in 1934 was valued at \$12,656,722, which was the highest since 1931 when it was \$14,246,993. The peak year was 1928 with \$20,756,071. The manufacture of goods of various kinds from the dressed and dyed or undyed skins of fur bearing animals constitutes an industry which supplies practically the entire quantity of fur goods consumed annually in the Dominion.

Financing of Motor Vehicle Sales in January

Sales of 4,796 cars, trucks and buses were financed to the extent of \$2,010,774 in January. There was a gain over January, 1935, of 75 per cent in the number of vehicles financed and 72 per cent in the corresponding amount of financing. New motor vehicles financed numbered 1,491 as compared with 885.

Imports and Exports of Fresh Fruits in January

Imports of fresh fruits in January were of the value of \$825,618 compared with \$596,957 a year ago. Most of these fresh fruits, to the extent of \$688,992, came from the United States. Some of the large items were as follows: Grapefruits 5,712,000 pounds at \$92,568; 93,210 stems of bananas, 58,724 stems coming from the British West Indies and 23,742 from the United States. There were 541,650 pounds of grapes from United States and 19,335 boxes of lemons from the same country. Imports of oranges, which were valued at \$520,484 as against \$371,585 last year, came mainly from United States. The amounts from other countries were as follows: Jamaica \$25,982, Japan \$25,971, Spain \$12,966, Palestine \$3,591, Other British West Indies \$3,454.

Exports amounted to \$1,099,928 compared with \$1,108,384. The chief country of destination was the United Kingdom at \$1,067,254. The leading item was apples at \$1,095,510, of which \$1,066,271 went to Great Britain. Blueberries were next in importance at \$2,802.

Fresh Vegetables

Fresh vegetables imported in January were of the value of \$303,893 contrasted with \$263,571 a year ago. The bulk of the supply came from United States at \$229,304. These included asparagus, beets, carrots, cabbage, celery, cucumbers, lettuce, onions, sweet potatoes, spinach and tomatoes. Besides the imports from the United States we got a supply of 116,413 pounds of onions from Spain, a small amount of mushrooms from Hong Kong, China, Japan and Poland, sweet potatoes from British West Indies and British Guiana, fresh potatoes from Bermuda, while the main supply of our fresh tomatoes came from the British West Indies, Mexico and Cuba. Domestic exports of fresh vegetables at \$208,874 went mainly to the United States, including turnips, potatoes and onions. The export of a year ago was \$140,097.

Imports of Lumber and Timber

Lumber and timber imports in January amounted to \$212,211 compared with \$194,550 a year ago. Practically all of it came from the United States. The principal item was oak at \$43,181, Douglas fir \$32,518, walnut \$18,418, cedar \$10,387, white pine \$30,989, Southern pine \$14,959, gumwood \$11,799, mahogany \$9,867.

Vehicles of Iron

Imports of vehicles of iron in January amounted to \$2,897,425 compared with \$2,631,380 a year ago. The import from the United States amounted to \$2,849,377, and from the United Kingdom \$46,467. There were 452 automobiles imported of the value of \$335,000, of which 397 at \$305,886 came from the United States. Of the total import of autos there were 359 passenger models valued at \$1,200 each or less, of which 321 came from the United States and 38 from the United Kingdom.

Imports of automobile parts were valued at \$2,398,000 compared with \$2,368,000 in January, 1935. These parts came mainly from the United States, valued at \$2,392,000. There were 398 bicycles imported at \$5,067, of which 388 came from the United Kingdom, and 7 from United States. There were 46 motorcycles, or sidecars therefore valued at \$14,115, of which 40 came from the United States and 6 from the United Kingdom.

Electricity in the Home

The domestic service consumption of electricity has continued to grow even during the years of declining total consumption and in 1934 amounted to 1,717,090,000 kilowatt hours or an increase of 4 per cent over the 1933 consumption. The growth, however, was not general and in some provinces the net result was both a reduction in consumption or sales and in revenue. In Quebec the number of domestic service customers increased and in Manitoba, Saskatchewan and British Columbia was at a lower rate than the estimated rate of increase in population.

Lumber Industry in 1934

The gross value of production in the lumber industry in 1934 was \$54,822,439, an increase of 39 per cent over 1933. There were increases in quantity for all the principal products except shingles, spoolwood, heading and poles and increases in total value in all but shingles and poles.

Accurate annual statistics on lumber production in Canada were first collected in 1908. Since that date the greatest production was reported for 1911, amounting to 4,918,202,000 ft. b.m. The amount in 1920 was 4,298,804,000 and in 1929, 4,741,941,000. The production in 1934 amounting to 2,578,411,000 ft. valued at \$40,509,600 represents an increase of 31 per cent in total volume and 46 per cent in value over 1933. The average value of sawn lumber of all kinds increased from \$14.15 in 1933 to \$15.71 in 1934.

Non-Metallic Minerals

The manufacture of the non-metallic minerals had a factory value in 1934 of \$166,782,852 which was 17 per cent above 1933, but still 31 per cent below the record of \$242,023,518 established in 1929. These include aerated waters, abrasives, asbestos products, coke and gas, glass, petroleum products, sand lime brick, stone dressing, cement, lime, salt, etc.

Miscellaneous Iron and Steel Industry

Production in the miscellaneous iron and steel industry during 1934 was valued at \$2,910,096 compared with \$2,461,573 in the previous year.

Wholesale Price Movements Abroad

Rising wholesale prices in countries abroad tended to gain impetus during the final quarter of 1935. This was clearly noticeable in the United Kingdom, Sweden and Japan. Further increases were also recorded by wholesale price indexes for countries still within the European gold "bloc". Advances over 1935 low points by indexes within this area have approximated 9 p.c. for France, over 6 p.c. for Switzerland, and 3 p.c. for the Netherlands. These increases are about two years behind the general advance which became apparent in most countries about the middle of 1933. A recent secondary rise in wholesale prices has placed current price levels in Japan upon a par with those existing early in 1930. This represents a greater recovery than has occurred in any other country with the exception of Chile.

Cost of Living in Countries Abroad

The most unusual behaviour among living cost indexes in the final quarter of 1935 in countries abroad was that of the Paris retail series including foods and other household necessities. Following the lead of wholesale prices, this index commenced to advance in September, and subsequently has continued steadily upward. Not since the latter part of 1931 has the Paris index registered more than a small temporary advance. Other cost of living indexes were nearly all slightly higher in the fourth quarter, that for Germany being a noteworthy exception. A moderate reaction in the German index followed an earlier seasonal increase, duplicating almost exactly movements in 1934.

Petroleum Imports in January

Crude petroleum imports in January amounted to 61,131,349 gallons compared with 59,848,284 a year ago, coming mainly from the United States at 42,563,748 gallons, Peru 11,606,891, Colombia 3,912,682 and Venezuela 3,048,028.

Imports of Paper

Imports of paper in January amounted to \$457,370 compared with \$399,123 a year ago, \$341,188 coming from the United States and \$68,182 from the United Kingdom.

Farm Implements and Machinery

Exports of farm implements and machinery in January were of the value of \$416,168 as against \$222,966 in January, 1935. The amount to the United States was worth \$222,892, to the United Kingdom \$56,044, British South Africa \$38,827, New Zealand \$19,919, Argentina \$17,420, Australia \$4,098, France \$5,574, Mexico \$4,127, Chile \$4,058, Trinidad and Tobago \$4,117. Imports were worth \$342,897 compared with \$195,645. The amount from the United States was worth \$318,688 and Sweden \$13,816.

Criminal Court Judgments

There were 31,684 convictions for indictable offences in 1934 as compared with 32,942 in 1933. By sexes the convictions included 28,539 males and 3,145 females. The figures for 1933 were 29,465 males and 3,477 females. There were increases in Prince Edward Island, New Brunswick, Saskatchewan and Alberta, but decreases in Nova Scotia, Quebec, Ontario, Manitoba, British Columbia and North West Territories.

Trials for both indictable and non-indictable offences totalled 366,152 in 1934 compared with 331,600 in 1933. The number of convictions of non-indictable offences was 328,744 compared with 292,673 in 1933.

Gambling and Drunkenness

The rate of progression in the number of convictions for gambling has been very marked in recent years. In 1930 the number was 6,565 which increased to 8,287 in 1931, but from then on made much more substantial increases. In 1932 the number was 14,928 and in 1933 it rose to 22,191, but in 1934 reached the large figure of 30,699.

On the other hand, convictions for drunkenness has decreased very substantially in recent years. In 1930 the number was 35,789. This dropped in 1931 to 29,148, in 1932 to 22,664, in 1933 to 18,910, while in 1934 there was a small increase to 20,764.

Wheat Stocks and Movement

Overseas export clearances of wheat for the week ending February 28 amounted to 4,701,765 bushels, an increase of 3,695,065 bushels over the same week of 1935. Imports of Canadian wheat into the United States for consumption and milling in bond totalled 588,000 bushels as compared with 204,000, making a total overseas wheat export clearance and import into the United States of Canadian wheat of 5,289,765 bushels as against 1,210,700. Clearances from August 1 to February 28 were 86,820,752 bushels and were 13,266,145 bushels more than in the same period of the preceding crop year. The import of Canadian wheat into the United States during this period rose to 31,166,448 bushels from 16,174,154. The combined totals for overseas export clearances and imports into the United States being 117,987,200 bushels as against 89,728,761.

Marketings of wheat in the Prairie Provinces for the week of February 21 totalled 351,643 bushels, an increase of 16,379 over the previous week, but a decrease of 2,232,786 from the same week of last year. Receipts for the elapsed part of the crop year were 185,393,438 bushels compared with 184,720,130.

Canadian wheat in store on February 28 amounted to 222,857,829 bushels, a decrease of 5,447,203 from a week ago, and a decline of 17,944,440 from the corresponding date of 1935. Canadian wheat in the United States totalled 23,123,430 bushels compared with 21,484,466.

Meat Imports

Meat imports during January were of the value of \$32,582 as against \$47,378 in January, 1935. The feature was 290,490 lb. of canned beef valued at \$14,624 from Argentina and 162,166 lb. at \$6,074 from Uruguay. The import from the United States was worth \$7,453, the import of barrelled pork in brine being valued at \$4,782.

Current Trends in Wholesale Trade

The dollar value of wholesale trade in Canada for January showed an increase of 4.2 per cent over January 1935, according to returns from some 200 regular wholesale houses operating in nine different lines of business. Increases in trade in January as compared with the same month of 1935 are recorded for eight of the nine groups. Automotive increased 17.4 per cent, clothing 13.9, groceries 5.5, drugs 5.3, hardware 5.3, footwear 1.3, tobacco and confectionery 1.3, fruits and vegetables 0.9. A decrease of 3.3 per cent was reported for dry goods.

Combined sales of all firms by provinces show the following percentage changes from last year: British Columbia an increase of 18.9, Prairie Provinces 5.3 per cent, Quebec 5.1, Maritime Provinces 4.5, and Ontario a decrease of 1.8 per cent.

Reports Issued During the Week

1. Lawn Mowers, 1935.
2. Current Trends in Wholesale Prices, January.
3. Imports of Stoves, Sheet Metal Products, Refrigerators, January.
4. Imports of Meats, Lard and Sausage Casings, January.
5. Imports and Exports of Soap, January.
6. Imports and Exports of Canned and Preserved Fruits, January.
7. Imports and Exports of Fresh Vegetables, January.
8. Imports and Exports of Pipes Tubes and Fittings, January.
9. Imports of Petroleum and Its Products, January.
10. Export of Paints, January.
- 11. Price Movements in Other Countries.
- 12. Index Numbers of Security Prices.
13. Iron and Steel and their Products, 1934.
14. Imports of Paints and Varnishes, January.
15. Imports of Fertilizers, January.
16. Manufactures of Non-Metallic Minerals, 1934.
17. Preliminary Report on the Lumber Industry, 1934.
18. Central Electric Stations, 1934.
19. Canadian Grain Statistics.
20. Car Loadings on Canadian Railways.
21. Fur Goods and Fur Dressing Industries, 1934.
22. Financing of Motor Vehicle Sales, January.
23. Imports and Exports of Fresh Fruits, January.
24. Imports of Coffee and Tea, January.
25. Price Index Numbers of 23 Mining Stocks.
26. Statistics for Criminal and Other Offences, 1934.
27. Summary of the Trade of Canada, January.
28. Monthly Review of Business Statistics, February.
29. Exports of Farm Implements and Machinery, January.
30. Weekly Index Numbers of Wholesale Prices.
31. Imports of Farm Implements and Machinery, January.
32. Imports and Exports of Wire, January.
33. Imports and Exports of Vegetable Oils, January.
34. Imports of Pulp Wood, Wood Pulp and Paper, January.
35. Imports of Lumber, January.
36. Imports of Vehicles of Iron, January.

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