

## WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce

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The Economic Index Recoded 0.8 Per Cent from  
the Preceding Week, but Recorded a Gain of  
7.1 Per Cent over the Same Week of 1935

The economic index maintained by the Dominion Bureau of Statistics showed a slight recession in the first week of April. Gains were shown in carloadings and common stock prices, while declines occurred in the other major factors, notably in bank clearings and speculative trading. A minor recession was shown in wholesale prices, while the index of inverted bond yields declined nearly one per cent. The adjusted index of bank clearings showed a decline of more than 6 per cent. The net result was that the economic index at 106.1 against 106.9 showed a decline of 0.8 per cent from the preceding week.

A marked gain was shown in the economic index during the first week of April over the same week of last year. Each of the six major factors recorded advances in this comparison except wholesale prices. A minor recession was recorded in the index of wholesale prices from the standing of the same week of last year. The gain in car loadings was 2.4 per cent, and much greater gains were shown in the other major factors. The index of common stock prices was 43 per cent greater than in the same week of last year. The inverted index of bond yields advanced 4.4 per cent, and the gain in adjusted bank clearings was 11.4 per cent. The economic index showed a gain of slightly more than 7 per cent, the standing having been 106.1 against 99.0 in the week ended April 6 of last year.

Owing to the marked advance during the first eight weeks of the year, a considerable lead is now being shown in the economic index over the same period of last year. While a receding trend has been recorded in the last six weeks, the index remained at a considerable advance over the corresponding period of 1935.

The increase in car loadings in the twelfth week was continued in the week under review, the index moving up from 73.4 to 75.0. The gain in the index of car loadings was consequently 2.2 per cent in the thirteenth week. The deficit from the first thirteen weeks of 1935 was nearly 11,000 cars despite appreciable gains in grain, coal and pulp and paper. Declines in pulpwood, miscellaneous commodities and other forest products mainly accounted for the decline from last year.

The recession in wholesale prices was of a minor nature, but slight recessions were shown from the preceding week and from the same week of 1935. Wheat showed further recession on the Winnipeg grain exchange, and declines were also shown in coarse grains except barley. The gain in the average price of No. 3 C.W. barley was 4.5 cents per bushel against 37.9 cents in the preceding week. Tin showed a slight rise on the metal markets in New York, while other base metals were steady. The Canadian index of non-ferrous metals eased from 69.4 to 69.3 due to reductions in aluminium and zinc.

A slight decline was shown in Dominion Government bond prices from the extremely high level of the preceding week. The inverted index of bond yields was 143.5 against 144.5 in the preceding week. The gain in this index over the same week of last year was 4.4 per cent. The bid quotation for the 4½ p.c. 1947-1957 Dominion Government bond was 109 5/8 on April 7 against 109¾ on March 27.

Common stock prices were slightly more than maintained in the week ended April 2, the index having been 123.1 against 123.0 in the preceding week. Despite the recessions in five industrial groups, the index for eighty-nine industrials advanced from 197.4 to 197.9. The gain in miscellaneous stocks, including Consolidated Smelters and International Nickel was the main influence in raising the general index. The telephone-telegraph index showed an advance from 110.1 to 110.4. The index of nineteen power and traction stocks declined from 68.5 to 69.1.

Weekly Economic Index with the Six Components  
1926=100

Week Ended	Car load-ings <sup>1</sup>	Whole-sale Prices	Inverted Index of Bond Yields <sup>2</sup>	Bank Clear-ings <sup>3</sup>	Prices of Common Stocks	Shares Traded	Economic Index
April 6, 1935	73.2	72.2	137.4	90.1	86.1	104.1	99.0
March 28, 1936	73.4	72.2	144.5	106.0	123.0	174.4	106.9
April 4, 1936	75.0	72.1	143.5	100.4	123.1	154.3	106.1

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 derived by taking the reciprocal of the Bureau's index of bond



yields. 3. Bank clearings were smoothed by taking a three weeks moving average for the purpose of eliminating irregular fluctuations. Totals for Ottawa were eliminated for all weeks shown, owing to incomparability introduced by the operations of the Bank of Canada.

The Economic Index and Its Six Components in the First Quarter of 1936 Compared with Same Period of Last Year

The economic index averaged 106.0 in the first quarter of 1936 against 100.3 in the same period of last year, a gain of 5.7 per cent. Each of the six components, except car loadings, showed gains in this comparison. The index of common stock prices averaged 121.1 against 88.7 in the first quarter of 1935, a gain of 36½ per cent. Bank clearings at about \$4,400,000,000 showed a gain of 23 per cent over the same period of last year. A gain of nearly one per cent was registered in the inverted index of bond yields, and the index of wholesale prices showed a gain of 1.1 per cent. The decline in car loadings during the first thirteen weeks of the present year was about 2 per cent.

The behaviour of the economic index and its six components justifies the statement that a considerable betterment has been shown over the first quarter of last year. The following is a table giving the statistics for the economic index and its six components for the first quarter of this year compared with the same period of 1935.

	First Quarter 1935	First Quarter 1936	Increase + Decrease - Per Cent
Carloadings (13 Weeks) Number	555,149	544,258	- 2.0
Wholesale Prices 1926=100	71.8	72.6	+ 1.1
Inverted index of Bond Yields	139.3	140.5	+ 0.9
Bank Clearings * (Dollars)	3,577,760,592	4,399,150,602	+ 23.0
Common Stocks 1926=100	88.7	121.1	+ 36.5
Shares Traded Number	3,202,884	7,393,737	+ 130.8
Economic Index 1926=100	100.3	106.0	+ 5.7

\* Includes totals for Ottawa.

Relation of Economic Conditions in Canada and the United States

A chart is presented on page 4 showing the weekly economic index for Canada, and an index of business activity in the United States from the beginning of 1933 to the present time. While these indices are based on different classes of factors, and are compiled by different methods, it is of interest to trace the relationship during a period of economic recovery. The low points in both indexes over the period were shown during the early months of 1933. A striking advance was recorded in the second quarter of that year, followed by considerable recession in the later months. An advance was shown in Canada during 1934 which was well maintained during 1935. A pronounced gain was also recorded in the first quarter of 1936.

Considerable fluctuation was shown in American conditions during 1934 and the first part of 1935. During the last half of 1935 a marked advance took place which has been nearly maintained during the first quarter of 1936. The American index, prepared by the New York Times Company, is based on six factors as follows: car loadings, steel mill activities, electric power production, automobile production, lumber production and cotton forwardings. These factors are adjusted for seasonal tendencies and weighted according to industrial importance and the inverse proportion to the range of the fluctuation. In computing estimated normals, due consideration was given to the growth element as it obtained prior to the depression.

The weekly economic index for Canada is based on six major factors representing price and volume in the three fields of business, speculation and money. Carloadings and wholesale prices represent the business field; common stock prices and shares traded stand for speculative trading, while an inverted index of bond yields and bank clearings represent the field of money. The indexes, adjusted where necessary for seasonal tendencies, are weighted inversely as the standard deviations from the long-term trend of each. The standard deviations were computed from monthly data from January 1919 to June 1932.

While the long-term trends of the six factors differ greatly from each other, the weighting process only results in the downward trends practically offsetting the upward. As the trend element for all practical purposes is eliminated in this way, the residue measures the cyclical fluctuations, thus fulfilling the normal function of a weekly index.



An annual economic index computed in a similar manner from the same factors and the same weights showed a correlation of .93 with the index of the physical volume of business.

The index of bank clearings was recently adjusted by taking the three weeks' moving average and dropping Ottawa from the compilation. The elimination of Ottawa clearings was necessitated by the breaking of comparability upon the commencement of the operations of the Bank of Canada in March 1935. The index of carloadings was recently readjusted for seasonal tendencies. The composite was recomputed for the period of observation to give effect to these changes.

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#### Wheat Stocks and Movement

Wheat marketings in the Prairie Provinces for the week ending March 27 amounted to 1,746,117 bushels, an increase of 151,711 over the previous week but a decrease of 16,217 from the same week last year. The total from August 1 to March 27 amounted to 192,764,197 bushels compared with 197,565,432 in the same period of the preceding crop year.

Canadian wheat in store on April 3 amounted to 205,476,064 bushels. This was a decrease of 2,922,384 from a week ago, and a decrease of 24,276,095 from the same date of 1935. There were 15,500,134 bushels of Canadian wheat in store in the United States as against 15,179,696 a year ago.

Overseas export clearances of wheat amounted to 2,592,704 bushels during the week of April 3 as compared with 1,750,100 in the same week of 1935. Imports of Canadian wheat into the United States for consumption and milling in bond for re-export during the same weeks were 573,000 bushels and 915,000, making a total overseas export clearance and import into the United States of 3,165,704 bushels compared with 2,665,100. Imports into the United States and overseas export clearances from August 1 to April 3 amounted to 133,809,139 bushels as compared with 102,444,821 in the same period of the preceding crop year.

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#### Export of Farm Implements and Machinery

The export of farm implements and machinery in February was valued at \$391,882, an increase of nearly \$80,000 over the same month of last year. The United States proved to be the largest market during the month, the value of the export to that country being \$208,865, the United Kingdom \$69,644, and British South Africa \$26,214.

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#### Woollen Textile Industry

There was a considerable expansion in the woollen textile industry in 1933 and 1934. The gross value of production rose from \$23,300,000 in 1932 to \$29,300,000 in 1933 and to \$33,800,000 in 1934. There were 8,686 employees in 1932, 9,832 in 1933 and 10,636 in 1934. Woollen cloth accounted for \$17,700,000 of the production in 1934, woollen yarn \$7,800,000 and carpets, mats and rugs \$3,100,000.

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#### World Shipments of Wheat

World shipments of wheat for the week ending April 4 amounted to 9,983,000 bushels compared with 9,379,000 in the previous week and 9,872,000 a year ago. North American and Argentine shipments showed decreases from the previous week of 747,000 and 126,000 bushels, respectively, while Australian shipments increased by 1,088,000 bushels.

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#### Car Loadings on Canadian Railways

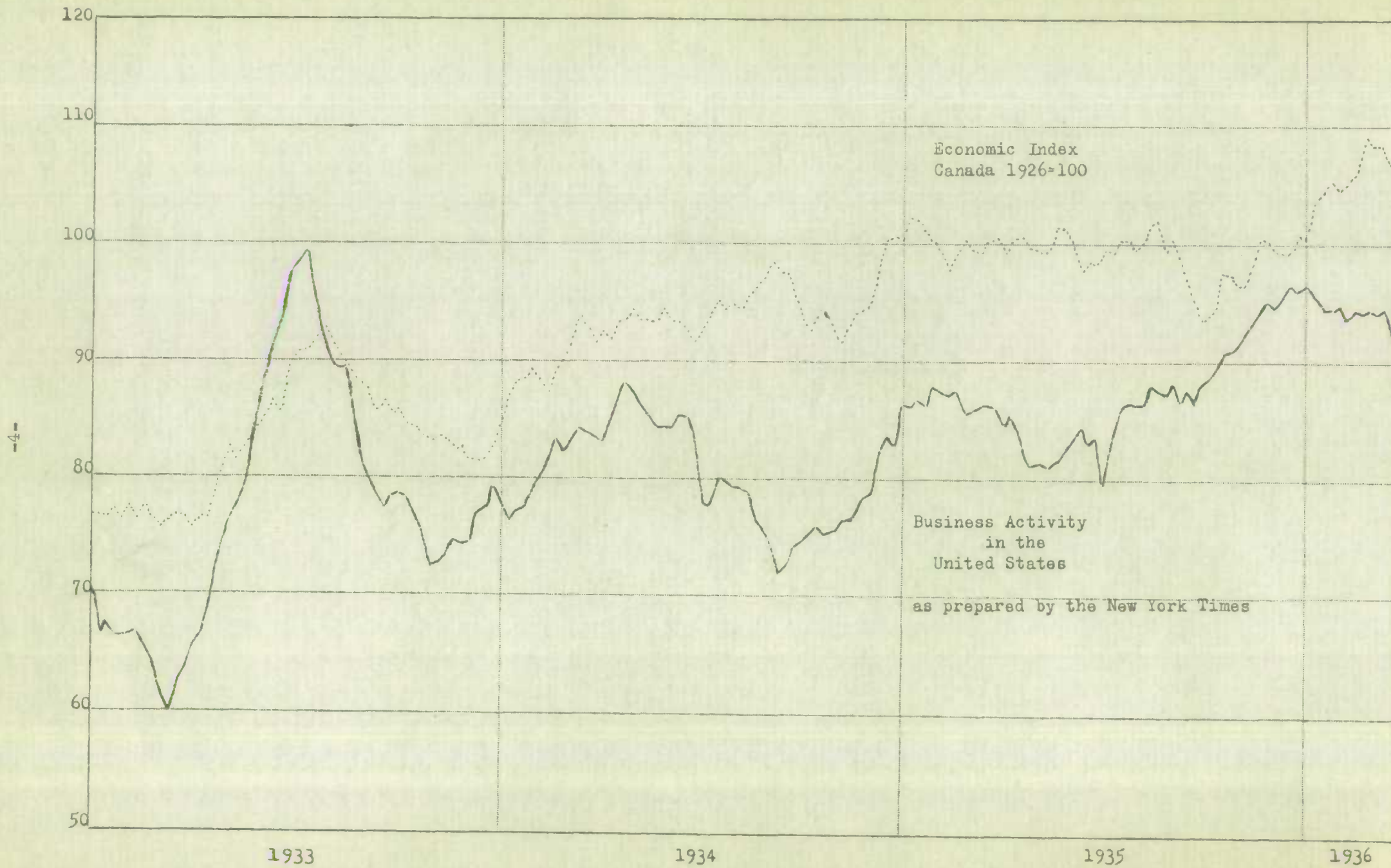
Car loadings for the week ending April 4 amounted to 44,345 cars compared with 44,173 a year ago. They were an increase of 296 cars over the previous week. Grain and coal loadings were up.

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#### Stocks of Imported Corn

Stocks of imported corn on April 3 were as follows with the 1935 figures in brackets: United States 1,211 (5,231,028), Argentine 90,136 (111,702), South African 1,234,377 (2,296,346).

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### Commodity Markets in March

Commodity markets were unsteady during March, and the Dominion Bureau of Statistics index fell from 72.6 for the week ending March 6 to 72.2 for the week of March 27. The only noteworthy advance of the month in primary markets was for raw silk which moved up more than 20 cents a pound, regaining over one-half of losses in January and February. Most commodity prices fluctuated narrowly, however, with signs of weakness evident occasionally in the latter half of the month. Wheat, for example, mounted about  $2\frac{1}{2}$  cents per bushel in the first two weeks, and then lost practically all of this gain before the month closed. Tin and copper also were weaker in the latter half of March. The most severe decline occurred for eggs, the supply stringency of late February and early March being rapidly replaced by a condition of abundance which carried prices for top grades downward by more than 15 cents a dozen. Little or no change was recorded in prices for rubber, coffee, hogs, cattle, zinc and silver.

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### Cost of Living in March

During the month of March the index of the cost of living in Canada computed by the Dominion Bureau of Statistics was 80.5 as compared with 80.4 in February. This index has fluctuated within very narrow limits during the past six months. Retail prices of foods rose from 72.9 in February to 73.4 in March, the principal factors contributing to the advance being increases for eggs and potatoes. Butter and pork showed moderate declines. The fuel index moved up from 87.3 to 87.5. Higher prices for coke in a number of important centres were responsible for the failure of this group to record the usual seasonal decline. However, the fuel index in March was still more than a point below the level of a year ago.

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### Securities in March

In March, common stock prices received the first definite setback since the beginning of the long rise which commenced last October. This movement had carried a price index for industrial issues upward from 144.1 to 202.2 before the reaction occurred. Although fairly sharp, the March decline was of short duration, being confined chiefly to the second and third weeks. Prices had definitely stiffened again before the month closed. An indication of the behaviour of industrial issues may be obtained from the following weekly indexes: March 5, 202.2; March 19, 192.8; and April 2, 197.9. Utilities declined less appreciably but showed practically no recovery in the final two weeks. A utility price index fell from 58.5 for the week of February 27 to 54.2 for the week of March 19, and closed the month at 54.3.

Mining issues behaved similarly to industrials during March with the exception that gold stocks had been gradually drifting lower since the beginning of February. A gold index dropped from 129.6 for the week of February 27 to 119.6 for the week of March 19, and then recovered to 121.4 in the final week. Corresponding indexes for base metals were 234.8, 226.1, and 236.0. Yields on long-term Dominion bonds moved to the lowest level of the year during the week of March 26, when the Bureau's index of yields fell to 69.2. Yields have declined steadily since last October.

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### Foreign Exchange in March

Foreign exchange movements during March were the narrowest in several months, but underlying pressure upon the European gold "bloc" continued unabated. European currencies were shaken by the tense political situation which developed in the second week, and the French franc declined to its gold export point. Gold losses, however, were relatively small and the franc strengthened as the month closed, aided by an increase in the official bank rate from  $3\frac{1}{2}$  p.c. to 5 p.c. Sterling continued to maintain a stable position with reference to the franc, and consequently was also somewhat lower. The United States dollar again moved to a premium at Montreal early in March, and was quoted at approximately \$1.005 as the month closed. This compared with a premium of roughly one p.c. in the final month of 1935. Stabilization of the Russian ruble at the equivalent of three French francs was recently announced.

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### Wholesale Trade in February

Wholesale trade in February was almost four per cent higher in value than in the corresponding month in 1935. Groceries were 8 per cent higher and footwear almost five per cent. British Columbia made a gain of over 16 per cent, the Maritime provinces almost 10 per cent, Quebec  $3\frac{1}{2}$ , Ontario  $2\frac{1}{2}$ , and the Prairie Provinces  $1\frac{1}{2}$  p.c.

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### Imports of Vehicles of Iron in February

Imports of vehicles of iron in February were valued at \$2,430,198 compared with \$2,868,412 a year ago. There were 48 automobiles from the United Kingdom and 308 from the United States. The value of the imports of finished cars from the United States was \$233,000 and from the United Kingdom \$30,000. Automobile parts from the United States, which is always the main item, amounted to \$2,014,000 and from the United Kingdom \$9,000.

### Fresh Vegetables

Fresh vegetables imported in February were valued at \$386,049 as against \$344,376 a year ago. The amount from the United States was \$301,029. The largest item was tomatoes at \$84,734, the main supply of which came from the British West Indies at \$35,105, from Mexico at \$19,231, United States at \$18,768 and Cuba at \$11,611. There was a small supply of tomatoes from Japan at \$49. The supply of lettuce at \$57,414 came entirely from the United States, as well as celery at \$51,242. Cabbage from United States amounted to \$28,494, Bermuda \$424 and Hong Kong \$119. Carrots to the value of \$30,436 came from the United States, Bermuda \$651 and Japan \$6. Onions from the United States amounted to \$9,088, Spain \$1,865, United Kingdom \$395. The main supply of mushrooms at \$1,167 came from Hong Kong. Domestic exports of fresh vegetables amounted to \$113,460 as against \$101,967 a year ago. The largest item was turnips at \$84,003, the bulk of which went to the United States, and potatoes at \$26,508, more than half of which went to the West Indies.

### Meat Imports in February

Imports of meats in February were valued at \$96,875 compared with \$20,372 a year ago. The amount from the United Kingdom was \$44,119, most of which was meat extract and fluid beef, at \$41,950. A year ago that special import was only \$188. There were \$67,253 worth of sausage skins from New Zealand in addition to a small amount of mutton and lamb at \$36.

### Imports of Farm Implements and Machinery

Farm implements and machinery imported in February were valued at \$464,046 compared with \$386,993 last year. The amount from the United States was \$425,108 and from the United Kingdom \$15,246. Imports of cream separators and parts amounted to \$23,160, of which \$17,916 came from Sweden.

### Leather Footwear Trade in February

The output of leather footwear in Canada in February totalled 1,835,240 pairs, an increase over the preceding month of 321,281 pairs, and an increase over February, 1935, of 255,199 pairs. The production in February of this year is the highest recorded for the corresponding month in any year of the period for which monthly statistics are available. The total quantity of leather footwear produced during January and February of the present year amounted to 3,349,199, compared with 2,909,921 in the corresponding period of 1935.

Imports of leather footwear in February totalled 19,644, an increase over February last year of 243 pairs. Expansion is shown in the export trade of Canadian-made leather footwear, the quantity rising from 6,601 pairs to 14,794 pairs. The United Kingdom was Canada's best customer, taking 62 per cent of the total number of pairs exported. Jamaica was second with 19 per cent, New Zealand third with nine per cent, and the United States fourth with seven.

### Vegetable Oils in February

The February imports of vegetable oils, amounting to a value of \$978,303, was an increase of \$141,342 over February last year. The value of the import from the United Kingdom was \$351,996, United States \$333,347, China \$155,920 and Nigeria \$59,340. Some of the leading items were, with values in brackets: coconut oil 56,341 gallons (\$24,579); cottonseed 38,565 gallons (\$315,564); olive oil 37,528 (\$30,487); palm oil 3,402,998 lb. (\$111,076); peanut oil 74,425 gallons (\$411,272); perilla 135,084 lb. (\$9,559).



## Flour and Feed Milling Industry

The Flour and Feed Milling industry, which has existed to meet the domestic needs of more than 300 years, is one of the Dominion's oldest manufactures but it is only within recent times that its progress has become spectacular. The Great War and the demand it created gave a great impetus to this trade. The 435 flour mills, many of them of the most modern type and highest efficiency, have a capacity far in excess of Canada's demands. During 1928 the productive capacity reached about 121,000 barrels per day. During 1934 the output was: wheatflour 14,807,515 (15,227,289) barrels; oatmeal and rolled oats 801,896 (764,451) barrels; bran, shorts and middlings 517,498 (498,321) tons; chopped feed 701,288 (716,475) tons. The total value of all products of the two industries in 1934 amounted to \$95,746,183, of which spring wheat flour accounted for \$53,601,595, chopped grain feed followed with \$17,987,718, shorts and middlings \$5,073,745, rolled oats \$4,993,788, while bran and fall or winter wheat flour occupied fifth and sixth positions with a valuation of \$3,882,617 and \$3,163,231, respectively.

## Fresh Fruits

Imports of fresh fruits in February were valued at \$846,061 compared with \$732,511 a year ago. Exports amounted to \$569,165 as against \$1,222,216. Imports came mainly from the United States at \$709,133, the main items being oranges at \$430,652, lemons at \$109,307 and grapefruits at \$107,109. We also had oranges from Spain at \$52,978, from Jamaica at \$10,713, Japan \$4,362 and smaller amounts from British Honduras, Other British West Indies, Hong Kong, Palestine and Costa Rica. The import of bananas was \$58,885, the largest supply coming from Jamaica and the British West Indies generally. The export of fresh fruits to the United Kingdom was valued at \$523,883, by far the largest item being apples at \$518,563. France bought a considerable quantity at \$22,746, Belgium \$12,480.

## Export of Rubber in February

The export of rubber in February was valued at \$1,083,555 compared with \$1,122,978 a year ago. The largest item was pneumatic tire casings at \$510,754. Those went to 63 countries, the largest purchaser being British South Africa \$135,437, Brazil \$47,046, Venezuela \$28,443, Chile \$28,135, Colombia \$23,965, Sweden \$22,003, Netherlands \$21,627, New Zealand \$20,991, Denmark \$19,233, Egypt \$14,744, Straits Settlements \$14,018.

The export of rubber boots and shoes amounted to \$196,615, of which \$113,542 went to United Kingdom, Newfoundland \$29,381, New Zealand \$22,269, Argentina \$10,191, France \$8,151, Chile \$4,899. There were 348,952 pairs of canvas shoes with rubber soles, valued at \$157,555, which went to 23 countries, the largest purchaser being United Kingdom with 139,709 pairs.

## Coffee Imports

Coffee imports amounted to 3,751,419 lb. in February compared with 3,409,594 a year ago. The values were \$345,694 and \$407,832, respectively. Green coffee was the large item. There were 3,678,810 pounds of this commodity compared with 3,301,911 in February 1935. It came mainly from the following countries: British East Africa 1,173,743 lb., Jamaica 1,020,974, Brazil 486,927, Colombia 421,917, Mexico 199,820, United Kingdom 189,091, Costa Rica 53,248, Hawaii 40,038 and Venezuela 24,395 lb.

## Imports of Tea

The import of tea during February amounted to 3,091,802 lb., or an increase of 1,000,000 pounds over the 2,055,704 lb. import of February, 1935. The February, 1936, import was worth \$697,478 compared with \$463,486. There were 2,926,457 lb. of black tea and 165,345 of green. Black tea of India amounted to 2,094,644 lb., black of Ceylon 788,281. The import of green tea came mostly from Japan, up to 151,747 lb.,

## Paper Imports in February

Imports of paper into Canada during February were worth \$522,997, compared with \$458,450 in February, 1935. The amount from the United States was worth \$394,727 and from the United Kingdom \$61,454. There were 65 items included in the latest month. In addition to this there were 22,116 cwt. of wood pulp at \$34,386, all of which came from the United States.



Butter, Cheese and Eggs

Creamery butter in cold storage on April 1 amounted to 8,511,628 pounds as against 7,102,598 a year ago; dairy butter 52,655 compared with 260,464. Eggs in cold storage with the 1935 figures in brackets: cold storage 63,132 (319,672) dozen; fresh 320,076 (570,167) dozen; frozen, 1,234,497 (1,152,966) lb. Pork, 36,634,145 (36,636,116) lb., beef, 16,571,219 (14,906,701) lb.; Veal, 1,473,374 (1,115,612) lb.; mutton and lamb, 2,822,196 (4,479,280) lb.; poultry, 8,707,913 (7,621,389).

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Reports Issued During the Week

1. Production of Creamery Butter in Canada, March.
  2. Cold Storage Holdings in Canada, April 1.
  3. Car Loadings on Canadian Railways.
  4. Canadian Grain Statistics.
  5. Production of Leather Footwear, February.
  6. Price Movements, March.
  7. Imports and Exports of Wire, February.
  8. Imports of Coffee and Tea, February.
  9. Imports of Stoves, Sheet Metal Products, Refrigerators, February.
  10. Imports and Exports of Vegetable Oils, February.
  11. Imports of Pulp Wood, Wood Pulp and Paper, February.
  12. Exports of Farm Implements and Machinery, February.
  13. Index Numbers of 23 Mining Stocks.
  14. Woollen Textile Industries, 1934.
  15. Weekly Index Numbers of Wholesale Prices.
  16. Current Trends of Wholesale Trade, February.
  17. Imports of Vehicles of Iron, February.
  18. Imports and Exports of Fresh Vegetables, February.
  19. Imports of Meats, Lard and Sausage Casings, February.
  20. Imports and Exports of Pickles and Preserved Vegetables, February.
  21. Imports of Farm Implements and Machinery, February.
  22. Imports and Exports of Canned and Preserved Fruits, February.
  23. Imports and Exports of Pipes, Tubes and Fittings, February.
  24. Index Numbers of Security Prices.
  25. Canadian Milling Statistics, February.
  26. Exports of Canadian Rubber and Insulated Wire and Cable, February.
  27. Imports and Exports of Fresh Fruits, February.
  28. Imports and Exports of Soap, February.
  29. Flour and Feed Milling Industries, 1934.
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