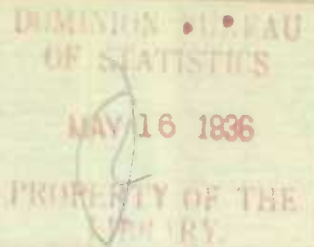


WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce



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Ottawa, Saturday, May 16, 1936.

The Economic index rose one p.c. over the preceding Week and nearly 9 p.c. over the same week of 1935

The economic index maintained by the Dominion Bureau of Statistics showed a gain of one per cent in the week ended May 9. A marked increase was shown in bank clearings after the usual adjustments, while the prices of bonds and common stocks recorded advances. The increase in high grade bond prices was outstanding, a new high point being reached by the index of inverted bond yields for the post-war period. The rally in common stock prices, following a substantial decline for three weeks, amounted to about one per cent. The index of carloadings registered a slight decline, the railway freight movement, before seasonal adjustment, being fully maintained at the level of the preceding week. The economic index was 107.7 against 106.6 in the week of May 2.

The lead in the economic index over the same week of last year was somewhat increased, amounting to 8.7 per cent. As the index had moved up sharply in the first two months of the year, a considerably higher level has been shown than in the elapsed portion of 1935. A moderate recession occurred during March and April and the index has rallied slightly in the last three weeks. The index was 107.7 in the week ended May 9 against 99.0 in the same week of last year.

The railway freight movement was very slightly greater in the 18th week over the preceding period. The gain was less than normal for the season with the result that the index receded from 80.5 to 79.3. The lead in 1935 is rapidly being reduced, the movement of 767,861 cars in the first 18 weeks of the year being only 690 cars less than in the same period of last year. Pulpwood and miscellaneous commodities are the main classes showing deficits from last year, while excellent increases are shown in grain, coal and paper. The increase in the index of carloadings over the same week of last year was 9.4 per cent.

The general level of wholesale prices recoded a little in the week of May 12, but it cannot be said that the index has left the stabilization zone characteristic of the last two years. The index was 71.9 against 72.1 in the preceding week. Barley and rye showed minor gains on the Winnipeg Grain Exchange, while wheat and other coarse grains recorded recession. The price of No. 1 Manitoba Northern wheat was 77 5/8 cents per bushel against 79 1/4 cents in the preceding week. Tin showed recession on the New York metal markets while other metals were steady. The Canadian index of non-ferrous metals dropped from 68.6 to 68.1, declines being reported in antimony, copper, lead, tin and zinc.

The weekly index of inverted bond yields was 145.1 in the week of May 9 against 144.5 in the preceding week, a gain of nearly one-half per cent. A further increase in the index marked an advance to a new high point since the war period when Dominion bonds first became a factor in the Canadian market. The bid quotation for the 4 1/2 per cent 1946 Dominion government bond was 112 1/4 on May 8 against 111 3/4 on May 1. A rally in common stock prices followed the appreciable decline of the three preceding weeks. The index of 112 stocks advanced from 115.7 to 116.8. Textile, food and power stocks averaged lower than in the preceding week and other groups of the official classification showed advances. The index of 89 industrials moved up from 186.2 to 188.0, while the power index recoded from 64.6 to 63.9. The gain in the common stock index over the same week of last year was 27.5 per cent.

Weekly Economic Index with the Six Components
1926=100

Week Ended	Car loadings	Wholesale Prices	Inverted Index of Bond Yields	Bank Clearings	Prices of Common Stocks	Shares Traded	Economic Index
May 11, 1935	72.5	72.4	140.6	79.4	91.6	94.8	99.0
May 2, 1936	80.5	72.1	144.5	97.4	115.7	147.4	106.6
May 9, 1936	79.3	71.9	145.1	105.5	116.8	-	107.7

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.

Business Operations, Wholesale Prices and Speculative Values

The chart of page three shows the relationship of common stock prices to the trend of the production of the indexes of business and prices for different periods. The curves are shown by years from 1904 and by months from 1921 to the present. The composite indexes were obtained by multiplying the index of the volume of business by the index of wholesale prices.

While in the post-war period the index of common stocks fluctuated to a greater extent, a significant degree of correlation was shown with the composite. In the preparation of the annual indexes shown in the first section of the chart, the composite index was computed by multiplying the indexes of long-term economic activity and of wholesale prices. The heavy demand for munition and war supplies as well as inflated prices accounted for the high level of the composite index from 1916 to 1920. From 1921 to 1929, the composite index recorded repeated gains but the advance in common stock prices was relatively much greater. While both indexes declined from 1929 to 1932, the greater reaction in common stocks resulted in the close proximity of the two indexes in the latter year. The composite index computed in this way was lower than in any other year since 1915, while common stocks averaged lower than in any year since 1913.

The monthly trends of two indexes since January, 1921, are shown in the second section of the chart. Except for the greater altitude for common stocks culminating in 1929, the correlation between the two indexes was relatively close. The product of the indexes of the volume of business and prices is a rough measure of the gross revenue of Canadian corporations. This explains the close relationship with common stock prices over a period.

Wheat Marketings and Movement

Wheat marketings in the Prairie Provinces for the week ending May 1 amounted to 1,063,622 bushels, as compared with 1,075,119 in the previous week and 1,250,689 in the same period of last year. Total marketings from August 1 to May 1 were 198,192,274 bushels as compared with 202,023,009 in the same period of the previous year.

Canadian wheat in store on May 8 amounted to 177,441,638 bushels, a decrease of 7,777,584 from a week ago, and a decline of 33,838,259 from last year; while Canadian wheat in the United States totalled 10,761,421 bushels compared with 11,888,396 and 11,014,573 in the same comparison. Wheat in transit on the Lakes amounted to 4,911,560 bushels as against 531,087 bushels and 884,139.

Overseas export clearances of wheat during the week ended May 8 amounted to 6,846,260 bushels compared with 2,866,883 in the same week last year. Imports of Canadian wheat into the United States for consumption and milling in bond for re-export were 762,000 bushels as against 513,000 in the same two weeks. Total overseas clearances from August 1 to May 8 amounted to 116,410,020 bushels compared with 94,831,829 in the same period last year, and United States imports of Canadian wheat were 37,754,709 bushels and 21,548,668.

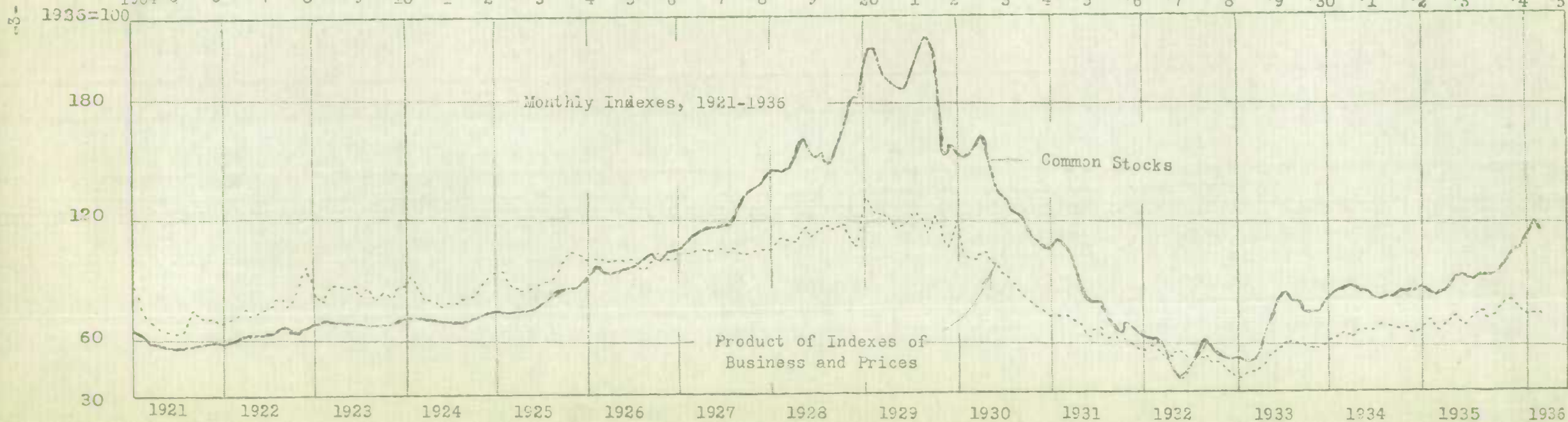
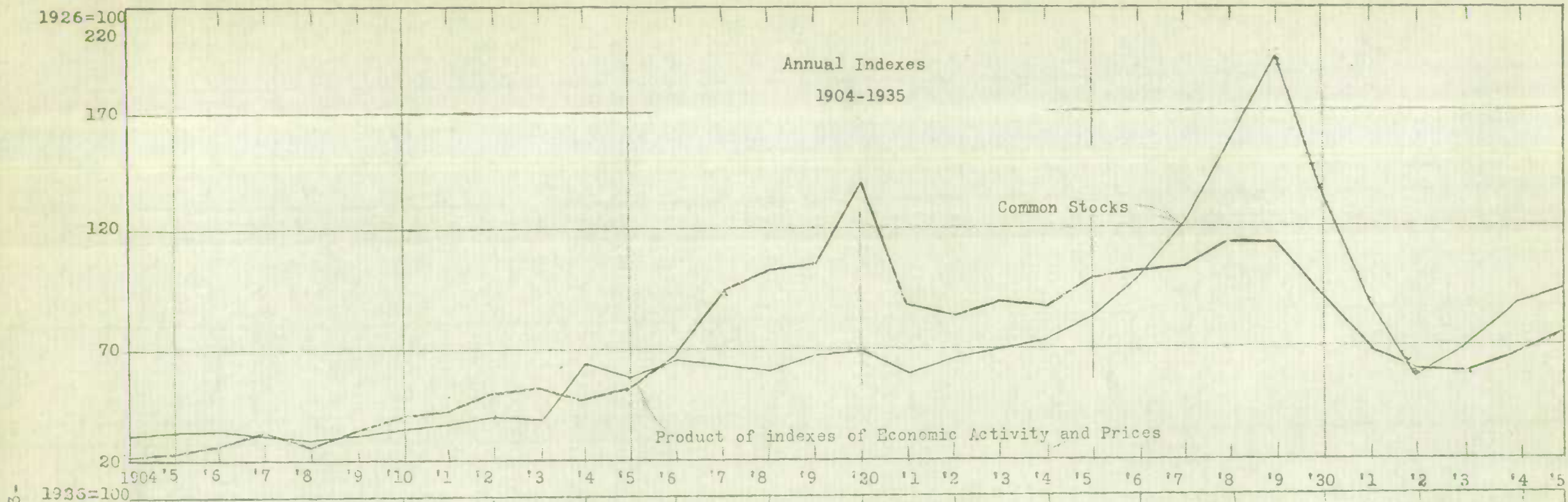
Argentine Crop Conditions

There were copious rains during the month of April, and whilst all sections were not equally favoured it can nevertheless be said that every part of the grain producing zones received some benefit. Consequently, the soil everywhere is in good conditions for ploughing and seeding the new crop. The pastures too have greatly benefitted, the grass having completely recuperated in the districts where the locusts' ravages had left the land bare; hence work horses are getting into good shape for the season's hard grind.

Canal Traffic in April

The Welland Ship Canal opened on April 17, three days later than in 1935, and the freight using the canal decreased from 484,481 tons to 94,691. The St. Lawrence Canals opened on the same date, as against April 10 last year, but despite this difference of seven days the total traffic was heavier than in 1935 by 30,308, increasing from 157,119 to 187,427 tons.

The Canadian canal at Sault Ste Marie opened for navigation on April 28 and the United States canal on April 29, whereas last year the United States canal was opened on April 16 and the Canadian canal on May 2.



Asbestos Production in February

Canadian producers shipped 17,038 tons of asbestos in February as compared with 17,016 in the previous month and 11,844 in February, 1935. Production in the first two months of the year totalled 34,054 tons compared with 22,350 in the same period of 1935.

Silver Production in February

Canadian production of silver in February amounted to 1,235,039 ounces compared with 1,213,488 in January and 1,018,743 in February, 1935. Silver quotations on the New York market averaged 44.68 cents per ounce in Canadian funds, at which price the Canadian output was worth \$551,906. In January the average price was 47.27 cents and the value of the month's output \$573,636.

World production of silver in February was estimated at 20,527,000 ounces or five per cent above the output of the preceding month. The Mexican production rose four per cent to 7,159,000 ounces, the United States 15 per cent higher at 5,056,000 and the Peruvian production increased slightly to 1,562,000 ounces.

Lead Production in February

Lead production in Canada in February was 27,149,144 pounds as against 28,105,650 in the preceding month and 27,378,211 a year ago. Quotations on the London market averaged 3.57 cents per pound in Canadian funds, making the month's production worth \$969,780 compared with \$959,316 in January at 3.41 cents per pound.

World production of refined lead in February was estimated at 131,968 tons, or five per cent below the tonnage of the previous month. Refined lead output in United States, Mexico, Germany, Italy and Burma declined in February.

Zinc Production in February

The Canadian production of zinc in February amounted to 20,678,372 pounds compared with 27,160,676 in the previous month and 20,612,690 a year ago. There was a slight advance in the price of zinc on the London market when quotations averaged 3.37 cents per pound in Canadian funds, compared with 3.31 cents in January. The February output was worth \$697,287 and January \$872,330.

The world output of zinc in February declined to 119,823 tons from the January total of 133,061. United States production at 36,228 tons was down 13 per cent.

Crude Petroleum Production

Crude petroleum production during February declined to 107,928 barrels from the preceding month's total of 121,231 barrels and the February, 1935, output of 111,545 barrels.

Natural Gas Production

Production of natural gas in Canada amounted to 4,011,882,000 cubic feet during February as compared with 3,499,092,000 in January, and 2,585,258,000 in February, 1935.

Copper Production

The Canadian production of copper in February amounted to 32,911,842 pounds as against 34,289,634 in January and 33,467,044 in January, 1935. The average price for electrolytic copper on the London market was 8.7981 cents per pound; based on this price the value of the February, 1936, production was \$2,895,617.

World Production of Copper

World production of refined copper in February amounted to 131,556 tons as compared with 131,384 in the preceding month. The United States output was 4.1 per cent lower at 54,451 tons while the production of refined copper in the other countries rose 3.3 per cent to 77,105 tons.

Nickel Production

Nickel Production in Canada during February amounted to 16,151,374 pounds, a new high monthly record. The total for January was 14,052,702 pounds and in February, 1935, it was 8,790,926.

Salt Production

Production of salt amounted to 11,662 tons in February compared with 11,013 in the preceding month and 10,853 a year ago.

Gold Production

Production of gold during March advanced to 299,102 ounces from the February output of 266,422 ounces and the March, 1935, figure of 249,479. The output during the first quarter of 1936 totalled 843,078 ounces, a gain of 17.5 per cent over the same period of 1935. Production follows for March, with the figures for March 1935 in brackets: Ontario 196,678 (174,096); Quebec 54,953 (34,415); British Columbia 32,610 (28,019); Manitoba and Saskatchewan 13,773 (12,266); Nova Scotia 783 (482); Jewellery and scrap 1,946 (3,533). The average price of gold during March was \$35.11 per ounce, giving the month's output a value of \$10,501,471.

Production of Leading Minerals

Production of Canada's leading minerals in the first two months of 1936 was as follows, with the 1935 figures in brackets: Asbestos 34,054 (22,350) tons; Cement 191,114 (124,255) barrels; Clay Products \$219,280 (\$168,849); Coal 2,330,564 (2,535,786) tons; Copper 67,201,476 (66,947,462) pounds; Feldspar 1,838 (1,296) tons; Gold 543,976 (467,991) fine ounces; Gypsum 7,764 (6,789) tons; Lead 55,254,764 (50,050,776) pounds; Lime 58,339 (57,891) tons; Natural Gas 7,510,974,000 (6,147,248,000) cu.ft.; Nickel 30,204,076 (18,181,433) pounds; Petroleum 229,159 (236,199) barrels; Commercial Salt 22,675 (21,989) tons; Silver 2,448,527 (2,262,288) fine ounces; Zinc 47,839,048 (45,460,175) pounds.

Coffee Imports

There were 3,431,540 lb. of green coffee imported during March as compared with 3,000,635 in March 1935, the values being \$300,675 and \$310,470, respectively. The leading countries of origin were: British East Africa 848,377 lb., Jamaica 745,296, Brazil 632,984, Colombia 604,149, United Kingdom 179,466, Mexico 128,226, Hawaii 65,500, Trinidad and Tobago 55,800, Costa Rica 50,708, Guatemala 34,742. Total imports of coffee and chicory during the fiscal year ending with March amounted to 36,725,544 lb. of the value of \$3,573,157, compared with 33,349,952 at \$3,822,952 in the previous fiscal year.

Imports of Tea

Tea imports during March amounted to 4,345,671 lb. valued at \$971,716 compared with 2,886,305 at \$626,421 in March last year. There were 4,021,277 lb. of black and 324,394 of green tea imported in the latest month. The amount of black tea of India was 2,605,062 lb., of Ceylon 1,311,853, and of China 40,625. Total imports of tea during the fiscal year ended March amounted to 37,148,737 lb. compared with 30,370,010.

Imports of Rubber

Raw rubber imports during March amounted to 4,052,065 lb. compared with 6,071,408 in the same month of 1935, the values being \$569,762 and \$697,688, respectively. It came from the following countries during the latest month: Straits Settlements 2,515,365 lb., United States 1,033,013, Ceylon 341,607, Dutch East Indies 112,080. The import of raw rubber during the fiscal year just ended was 56,892,370 lb. compared with 63,596,051 in the previous fiscal year.

Fresh Fruits

fruits

The import of fresh/into Canada during March was valued at \$1,134,996 as compared with \$1,023,690 a year ago. The amount from the United States was worth \$1,028,124. Total imports of fresh fruits in the fiscal year ending March were valued at \$12,897,562 compared with \$12,586,403 in the previous fiscal year.

Exports during March amounted to \$505,650 as compared with \$1,030,058 last year. The amount to the United Kingdom was worth \$483,308. There were 135,271 barrels of apples at \$502,141 and 37,724 pounds of strawberries exported. Total exports during the fiscal year were valued at \$9,473,981 compared with \$8,598,179.

Fresh Vegetables

March imports of fresh vegetables amounted to a value of \$682,014 as against \$574,836 last year. The total from United States was \$517,009. Total imports in the fiscal year ended March were worth \$4,186,816 compared with \$3,517,104 in the previous fiscal year.

Exports of fresh vegetables were valued at \$252,114 in March as against \$109,502. These went mainly to the United States, the value being \$213,385. There were 137,570 bushels of potatoes, going to 16 countries, mainly the United States, Trinidad and Tobago and British Guiana. The export of turnips was another big item, amounting to 362,931 bushels, going chiefly to the United States.

Export of Meats in March

The export of meats in March was valued at \$2,621,306 compared with \$2,600,899 in March, 1935. As usual, the United Kingdom was by far the largest market, the amount being \$2,245,915. Purchases by the United States amounted to \$221,610. The bacon and ham export was valued at \$2,154,481 of which \$2,103,675 went to the United Kingdom, \$34,123 to United States, \$5,079 to Bermuda and \$4,681 to Newfoundland. The largest item in the exports to United States was fresh pork at \$154,483. There was a considerable decrease in poultry, which dropped from \$137,450 a year ago to \$59,049.

April Export of Wheat

The export of wheat last month was the largest April sale for several years. The quantity was 6,572,364 bushels valued at \$5,089,477 on an average export price of 77.4 cents per bushel. A year ago the export was 5,027,403 bushels at \$4,287,885, the average price being 85.3 cents. In 1934 the export was 3,568,090 bushels at \$2,390,389, the average price being 67 cents and in 1933 it was 4,460,214 bushels at \$2,315,239, the average price being 51.9 cents. Thus the value of the export of wheat in April was more than double that of April 1933 and 1934 but the average price this year was considerably lower than a year ago.

April Export of Wheat Flour

The export of wheat flour in April was 281,162 barrels valued at \$1,137,403, on an average export price of \$4.04 per barrel, as against 276,907 barrels at \$1,051,320 a year ago, the average price being \$3.79. The export is somewhat lower, however, than in April 1934 when the amount was 340,621 barrels at \$1,147,681, the average price being \$3.37.

Sales and Purchases of Securities Between Canada and Other Countries during March

The volume of international trade in securities between Canada and other countries in March was much lighter than in the two previous months. Both total sales and total purchases declined. Although the decline in sales was larger than the decline in purchases, there continued to be a net balance of sales during the month. This, however, was much less than that in the two previous months. The reduction in the month's trading was principally in the trade between Canada and the United States.

Sales to the United States in March were \$24,396,909 compared with \$36,260,759 in February, while purchases from the United States were \$20,035,646 as against \$28,329,794 in February. Sales to Great Britain were \$4,136,611 as compared with \$5,993,537 in February, while purchases from Great Britain were \$4,554,205 as compared with \$3,540,208. Total sales to all countries in the first three months of 1936 were \$128,229,803 as compared with \$65,923,630 in the same months of 1935 and \$94,431,202 in 1934. Total purchases from all countries in the first three months of each year were \$89,536,032 in 1936, \$60,360,694 in 1935 and \$81,363,525 in 1934. It should be noted that the sales of new issues of Canadian securities outside of Canada are not included in these figures, such as the new issue of Dominion of Canada bonds of \$48,000,000 sold in January, 1936, in New York to a syndicate headed by the First Boston Corporation.

Crop Outlook

"Hope springs eternal in the human breast." So wrote Pope. Nowhere is it better exemplified than on the farm in the spring-time. The farmer may use the best seed and the best cultural methods possible but still he must depend in high degree upon the bounty of Nature. Despite frequent disappointments, his confidence remains and he sows each spring with new hope.

The first official crop report of the new season issued on May 8 and according to farmers' intentions at May first, an increase of over a million acres in the field crop area of Canada is planned. Most of this increase is in spring wheat where a rise of three per cent or nearly 800,000 acres will bring the area sown to 24,354,000 acres. Increases of barley and flaxseed are also expected, amounting to 4 and 10 per cent, respectively. Potatoes will be sown on an area two per cent larger than in 1935. Little change is expected in the areas sown to oats, spring rye and mixed grains.

Pastures, meadows, fall wheat and fall rye came through the winter with little damage and are more promising than they were a year ago. The seeding of spring crops will be late, but operations are now proceeding rapidly under favourable conditions. In the Prairie Provinces, the optimism resulting from the best moisture conditions since 1932 is tempered by the general lateness of the season and by poor and inadequate seed supplies in some districts.

Fisheries of Prince Edward Island

The total quantity of fish of all kinds, including shell fish, caught and landed by Prince Edward Island fishermen during 1935 was 208,918 cwt., with a marketed value of \$899,685, compared with 233,262 cwt. and a value of \$963,926 in 1934. Of chief importance is the lobster fishery, with a marketed value of \$605,107, or 67 per cent of the total. The catch of lobsters amounted to 63,876 cwt., a decrease from 1934 of 12,706 cwt. Cod and oyster fisheries are next in importance. The quantity of cod in 1935 was 45,451 cwt. as against 46,423 in 1934, and of oysters 10,014 barrels as against 10,160.

Capital investment in primary operations amounted to \$901,334 as compared with \$895,612 in 1934, and the number of employees was 3,365 as against 2,973. The amount of capital invested in fish canning and curing establishments was \$189,375 in 1935, to which the lobster canneries contributed \$178,475. The establishments employed 1,386 persons, the majority being employed during May, June and July.

Fisheries of Quebec in 1935

The production of the fisheries of the province of Quebec amounted to 896,219 cwt. and had a total marketed value of \$1,947,259 in 1935, as compared with a catch of 726,815 and a value of \$2,306,517 in 1934. The value in 1935 was comprised of \$1,328,394 for the output of the sea fisheries and \$618,865 for inland fisheries. The sea fisheries show a decrease of \$388,754 from 1934, but the inland recorded an increase of \$29,496.

The value of the cod fisheries in 1935 was \$546,019, representing about one-third of the total for all kinds. Other species with a value of \$100,000 and over are herring, lobsters and eels, the latter being taken chiefly in the inland waters of the province.

The value of vessels, boats and gear used is placed at \$2,508,503 compared with \$2,465,915 in 1934. To the total value in 1935 the sea fisheries contributed \$2,245,678. Fishermen employed during the year were 14,093. The amount of capital invested in the fish canning and curing branch of the industry was \$447,540, and the number of employees 1,145.

Export of Wheat and Flour in April

The export of wheat to the United Kingdom in April amounted to 4,142,321 bushels valued at \$3,256,719 compared with 4,054,916 at \$3,517,050 a year ago. The total export was 6,572,364 bushels at \$5,089,477 as against 5,027,403 bushels at \$4,287,885.

The export of wheatflour to the United Kingdom was 142,887 barrels at \$580,851 compared with 137,150 barrels at \$505,923 a year ago. The total export of wheatflour was 281,162 barrels at \$1,137,403 as against 276,907 barrels at \$1,051,320.

Reports Issued During the Week

1. Advance Report on the Fisheries of Quebec, 1935.
2. Advance Report on the Fisheries of Prince Edward Island, 1935.
3. Asbestos Production in February.
4. Sales and Purchases of Securities between Canada and Other Countries, March.
5. Index of 23 Mining Stocks.
6. Gold Production in Canada, March.
7. Feldspar and Salt Production, February.
8. Copper and Nickel Production, February.
9. Petroleum and Natural Gas Production, February, and Gasoline Sales in January and February.
10. Imports of Paints and Varnishes, March.
11. Exports of Canadian Paints and Varnishes, March.
12. Imports and Exports of Fresh Fruits, March.
13. Imports and Exports of Fresh Vegetables, March.
14. Imports and Exports of Soap, March.
15. Imports of Rubber, March.
16. Imports and Exports of Pickles and Preserved Vegetables, March.
17. Imports of Coffee and Tea, March.
18. Cold Storage Holdings, May 1, 1936.
19. Exports of Meats, Lard and Sausage Casings, March.
20. Imports and Exports of Canned and Preserved Fruits, March.
21. Imports and Exports of Wire, March.
22. The Footwear Trade of Canada, March.
23. Imports and Exports of Hides and Skins, March.
24. Index Numbers of Security Prices.
25. Production of Creamery Butter.
26. Silver, Lead and Zinc Production, February.
27. Cement, Clay Products and Lime Production, February.
28. Canada's Leading Mineral Products, February.
29. Canal Traffic in April.
30. Weekly Index Numbers of Wholesale Prices.
31. The Grain Situation in the Argentine.
32. Car Loadings.
33. Canadian Grain Statistics.
34. Intentions to Plant Field Crops, Winter-Killing and Spring Conditions of Fall Wheat, Fall Rye, and Hay and Clover Meadows. Progress of Spring Seeding.



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