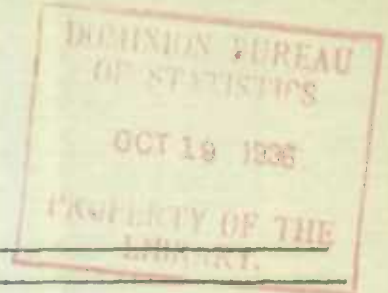


WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce



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The Economic Index Showed a Minor Gain over the Preceding Week and an Increase of 21.4 Per Cent over the Same Week of 1935

Owing to gains in two out of the six factors the economic index in the week of October 10 advanced to 115.2 against 114.9 in the preceding week. Wholesale prices were maintained at the same level. Declines of slightly more than one per cent were shown in carloadings, inverted bond yields and bank clearings. Speculation furnished the constructive development of the week. The index of common stock prices advanced $3\frac{1}{2}$ per cent, and a sharp gain was also shown in the number of shares traded. The net result was a gain of 0.3 per cent in the economic index.

The gain in carloadings was less than normal for the season, the index dropping from 78.3 to 77.3. Grain shipments in the western division have apparently passed the peak, whereas in past years they normally continued to rise until about the second week of November. Loadings in the 40th week were 60,278 cars, a new record for several years. The weekly index of wholesale prices remained unchanged at 76.7. The price of No. 1 northern wheat averaged 110 $\frac{1}{8}$ against 108 $\frac{1}{4}$ in the preceding week. The price of No. 3 C.W. barley was lower at 61 $\frac{1}{2}$ cents per bushel against 62 $\frac{1}{4}$ cents. Tin showed a decline on the New York metal market and other base metals and silver were steady. The Canadian index of non-ferrous metals receded from 70.2 to 69.9 when antimony, lead and zinc were lower.

The high-grade bond market eased slightly in the week of October 9. The bid quotation for the 4 $\frac{1}{2}$ per cent 1946 Dominion Government bond was 112 on October 9, against 113 on October 2. Italy devalued the lira by 41 per cent on October 5, but the effect of this action upon the international bond market was inconsiderable. The index of 112 common stocks was 3 $\frac{1}{2}$ per cent higher at 131.5 in the week under review. Each of the groups in the official classification recorded advances. The index of 89 industrials moved up from 205.2 to 210.3. A gain in 19 power and traction stocks was from 71.2 to 76.6. Trading was active on the Canadian stock exchanges.

Comparison with the Same Week, 1935

The economic index was 115.2 in the week under review against 94.9 in the same week of last year, the gain of 21.4 per cent representing considerable betterment in each of the six components. The increase in carloadings was 3.3 per cent and wholesale prices averaged 4.8 per cent higher. The inverted index of bond yields, although showing a decline for the last four weeks, was still 26 per cent higher than in the same week of last year. The adjusted index of bank clearings was 25 p.c. higher while a marked increase was shown in the number of shares traded. The index of common stock prices rose from 96.3 to 131.5, a gain of 36.6 per cent. This index is now higher than at any other time since September 1930.

Weekly Economic Index with the Six Components
1926=100

Week Ended	Car loadings ¹	Wholesale Prices ²	Inverted Index of Bond Yields ²	Bank Clearings ³	Prices of Common Stocks	Shares Traded	Economic Index ⁴
Oct. 12, 1935	74.9	73.2	121.8	88.8	96.3	124.1	94.9
Oct. 3, 1936	78.3	76.7	155.5	112.6	127.1	362.5	114.9
Oct. 10, 1936	77.3	76.7	153.6	111.2	131.5	555.8	115.2

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. 4. The weighting of the six major factors is determined from the standard deviation from the long-term trend of each, based on data for the period from January 1919 to August 1936. The long-term trend determined from half-yearly data in the post-war period was eliminated from the composite and the resulting index expressed as a percentage of the average during 1926.

Production in Canada and the United States

The economic betterment of Canada was maintained at a relatively higher level in recent months than that of the United States. The index of industrial production on the base of 1926 has occupied in Canada a higher position since the summer of 1933. The lead in August was 17 p.c., despite the marked advance in the United States during the last twelve months. The Canadian index was 115 during August against 99 in the other country.

Eleven of the 17 factors shown in the accompanying table and chart were higher in Canada during the latest available month than in the United States.

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

Indexes	Canada 1926=100	United States 1926=100	Percentage Increase + Decrease -
			(Canada over United States)
Industrial Production	115	99	+ 17.2
Mineral Production	174	91	+ 92.3
Coal	82	69	+ 18.8
Silver	100	112	- 10.7
Zinc	331	86	+ 284.9
Lead	144	68	+ 111.8
Manufacturing	113	100	+ 13.0
Iron and steel	52	107	- 51.4
Automobiles	30	89	- 66.3
Textiles	88	114	- 22.8
Food products	110	94	+ 17.0
Tobacco	146	131	+ 11.5
Leather and shoes	106	113	- 6.2
Petroleum	282	117	+ 141.0
Construction	46	50	- 8.0
Carloadings	81	66	+ 22.7
Employment in Manufacturing	102	88	+ 15.9

Gypsum Production

Gypsum production in Canada amounted to 132,461 tons in July as compared with 136,537 in the previous month and 91,704 in July last year. Output during the seven months ending July reached a total of 398,732, or 51.2 per cent above the same period of last year.

Crude Petroleum

The Canadian production of crude petroleum reached a total of 139,940 barrels in July. This was the highest monthly output since June, 1931. In June last the production amounted to 114,050 and in July last it was 122,230 barrels. The total output during the seven months ending July amounted to 823,018 barrels or 1.5 per cent lower than in the same period last year.

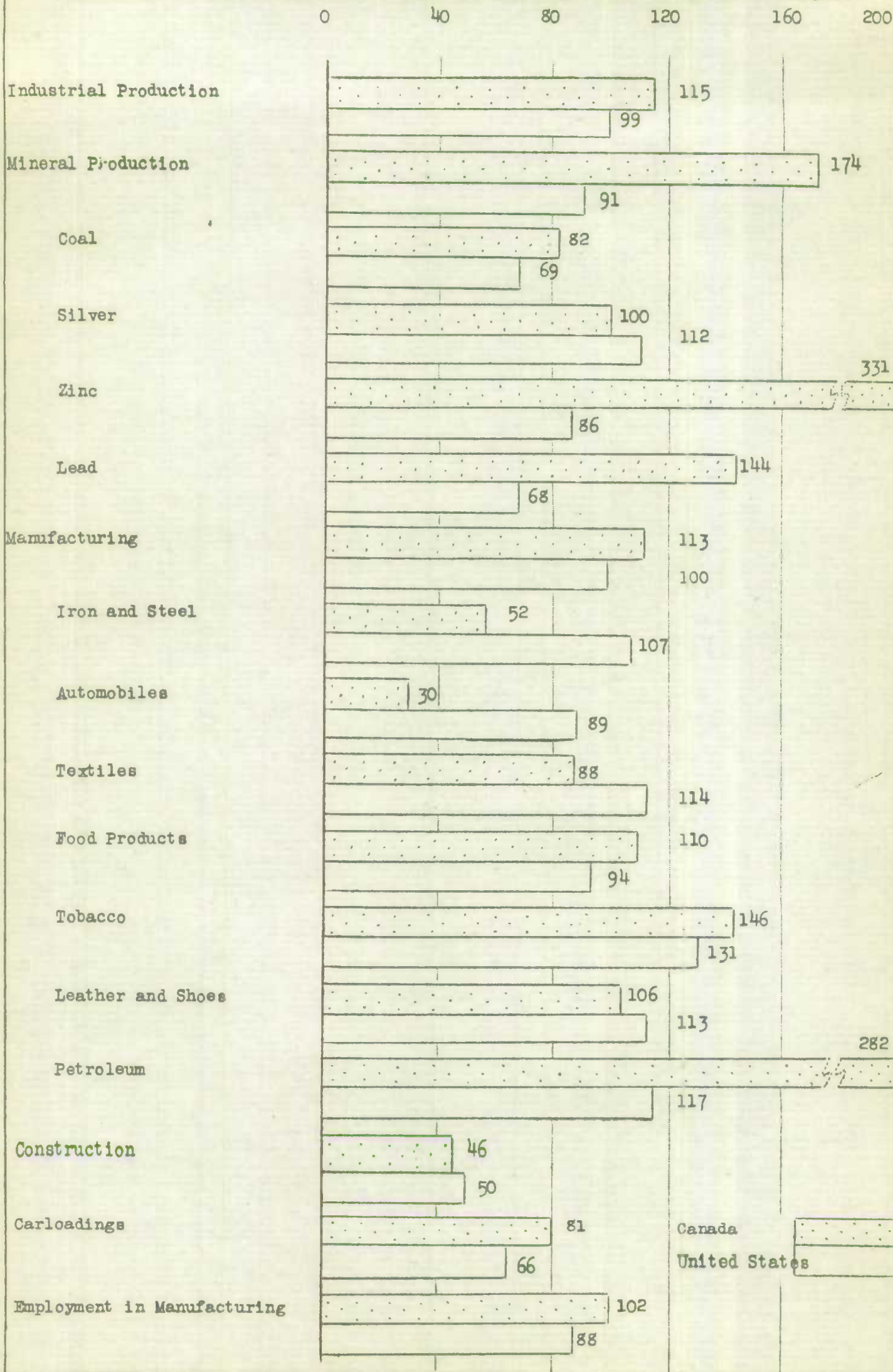
Asbestos Production

Shipments of asbestos by Canadian producers rose to 27,749 tons in July as compared with 23,136 in the month preceding and 15,420 in July last year. During the seven months ending July, 148,130 tons were shipped as compared with 98,285 tons a year ago.

Adhesives Industry

The adhesives industry covers only the factories which make glue, paste, etc., as their chief products. The output of these firms increased to \$1,436,259, or by 10 per cent over 1934. Output of animal glue increased 44 per cent in quantity and 50 per cent in value to 2,073 tons worth \$503,900. Other glues declined slightly in value to \$352,186.

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.



Butter Production and Cheese

Production of creamery butter in September amounted to 28,606,000 pounds compared with 27,239,000 a year ago, an increase of five per cent. Production during the eight months ending September amounted to 200,784,000 lb. as compared with 194,624,000 in the same period of 1935, an increase of over six million pounds or three per cent.

Cheese production in September totalled 18,644,000 lb., an increase of 14 per cent over last year. Production during the first eight months of 1936 amounted to 92,281,000 lb., an increase of over 11 million lb. or 14 per cent.

Farm Implements and Machinery

Production in 1935 by the factories engaged chiefly in the manufacture of farm implements and machinery was valued at \$13,692,000. This was the highest total reported for the industry since 1930 when the value of production reached \$26,902,000. The output in 1934 was \$8,818,000. Only 34 factories operated during 1935 and of those 25 were located in Ontario.

Cooperage

The output by the cooperage industry in 1935 was valued at \$1,846,000, compared with \$2,006,000 in 1934. There were 80 establishments operating of which 31 were in Nova Scotia and 26 in Ontario.

September Wheat Export

Export of Canadian wheat in September was an increase of 3,447,644 bushels and \$5,912,265 over the same month last year. The total during the month was 20,720,316 bushels at \$20,582,258 as compared with 17,272,672 at \$14,669,993. Shipments to the United Kingdom amounted to 15,359,796 bushels at \$15,208,591 as compared with 10,121,877 at \$8,655,831 a year ago. The total to the United States was 1,772,824 bushels valued at \$1,804,213 as against 5,824,854 at \$4,901,794.

Wheat Flour Export

Wheat flour exports were lower in quantity but higher in value in September than in the same month last year. There were 378,318 barrels valued at \$1,599,748 exported in the latest month as compared with 395,640 at \$1,489,257 a year ago. The amount sent to the United Kingdom was 171,484 barrels and to the United States 11,064.

September Barley Export

The export of barley in September was much higher than in September last year. The amount was 2,673,804 bushels at \$2,304,239 as compared with 241,472 bushels at \$104,101. The total sent to the United States was 2,117,790 bushels as compared with 4,648 a year ago; and the United Kingdom 555,556 bushels compared with 236,814.

Export of Oats

September export of oats was somewhat lower than a year ago. The total was 371,619 bushels valued at \$159,923 as compared with 810,831 at \$288,780 last year. Shipments to the United Kingdom fell to 301,261 bushels from 499,807, while those to the United States were 4,784 as against 164,566 last year.

Rye Export

The September export of rye was considerably higher than in September last year. The amount was 532,272 bushels valued at \$358,644 as compared with 51,511 at \$24,793. The amount sent to the United Kingdom rose to 296,732 bushels from 17,142, and to the United States from 83 bushels to 235,540.

Retail Sales in Ontario

Retail sales in Ontario during 1935 were more than \$848,000,000, an increase of four per cent over 1934, and 15 per cent higher than 1933 when the lowest point of the depression was reached, but was still 23 per cent below 1930. For the second consecutive year, motor vehicle dealers reported the greatest annual increase in business, the aggregate sales amounting to \$102,571,000, an increase of 17 per cent over 1934. The furniture and household group was second in percentage increase, the sales amounting to \$13,174,000, an increase of 12 per cent over 1934. Hardware store sales were \$20,684,000, an increase of four per cent. Substantial gains were also recorded in the apparel group, while food store sales were practically unchanged at \$131,893,000. Country general stores and department stores recorded gains of less than one per cent over 1934.

Statistics of Steam Railways

Railway gross earnings in 1935 increased to \$310,107,155 from \$300,837,816 in 1934. Operating expenses, however, increased at a greater rate, or from \$251,999,667 in 1934 to \$263,942,899, which reduced net operating revenues from \$48,838,148 to \$46,164,255, and the net corporate loss of all railways before deducting dividends and reserves was greater by \$1,868,761, increasing from \$81,738,164 to \$83,606,925. This includes all interest on Canadian National Railway bonds and Government loans and income of subsidiary lines in the United States and in Canada.

Freight revenues were larger than in 1934 by \$8,229,202, or four per cent, but passenger revenues increased by only \$262,606, or by less than one per cent, and excess baggage, sleeping car and parlour and chair car receipts declined. Express and milk revenues also declined but mail revenue increased by \$100,442, or 1.5 per cent. Taxes increased from \$8,990,970 in 1934 to \$9,072,259.

Argentine Flour Milling

A record volume of wheat flour was produced in the Argentine Republic during 1935, according to an official report issued recently. There were 52,761,000 bushels of flour manufactured, which exceeds 1934 production by 768,000 bushels. The sub-products totalled 21,089,000 bushels, an increase of 449,000. Wheat used by the mills amounted to 74,409,000 bushels, or 1,152,000 more than in 1934.

Grain Situation in the Argentine

The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report under date of October 1: "The condition of the wheat crop generally can be said to be good throughout the country, and in the southern districts very good. Mostly the linseed is fairly good, but in places there is room for improvement, which recent rains will doubtless promote. Further rains in the not too distant future will be welcome almost everywhere.

"Exports of wheat and wheat flour in September showed a marked increase over those in the previous month. The following are the figures for grain exports in September with the August figures in brackets: Wheat and flour 4,535,000 (2,860,000) bushels, maize 40,765,000 (30,388,000) bushels, linseed 5,269,000 (4,257,000), oats 442,000 (295,000), barley 412,000 (506,000), rye 211,000 (272,000)."

Lead Production

Lead production in Canada during July advanced to 32,324,511 pounds from the June total of 28,523,448 and the July, 1935, total of 29,269,276 pounds. Output during the first seven months totalled 213,115,950 pounds, or 11.7 per cent above last year. Quotations for lead on the London market in July averaged 3.5584 cents per pound in Canadian funds; valued at this price the Canadian output was worth \$1,150,235.

Refined lead production in the United States in July was at approximately the same level as in June and amounted to 36,863 tons. The Mexican output rose 3.3 per cent to 20,173 and the German production 3.3 per cent to 13,333 tons. On the other hand, the Australian output was 5.7 per cent lower at 16,416 tons.

July Silver Production

The Canadian production of silver in July was higher than both the previous month and the same month last year. Production amounted to 1,795,927 ounces as compared with 1,656,683 in June and 1,183,820 in July last year. An advance of 14.1 per cent was shown in the first seven months as compared with the same period of 1935. The totals were 10,242,306 ounces and 8,978,460. Silver quotations on the New York market in July averaged 44.79475 cents per ounce in Canadian funds, at which price the production in the latest month was worth \$804,481.

Total world production during July fell to 19,872,000 fine ounces from 21,354,000 in the previous month. Three of the four principal silver producing countries recorded decreases. Production follows, with June figures in brackets: Mexico 6,457,000 (7,157,000) fine ounces, United States 4,616,000 (5,293,000), Canada 1,796,000 (1,657,000), Peru 1,392,000 (1,580,000).

July Zinc Production

Canadian producers of zinc reported an output of 30,873,091 pounds in July; during June, 29,988,104 pounds were produced and in July, 1935, the output was 27,658,014 pounds. Production during the seven months ending July aggregated 188,545,241 pounds as compared with 179,705,343 a year ago. Quotations for zinc on the London market averaged 3.04739 cents. Based on this price the July output was worth \$940,823.

The world output reached a total of 138,553 tons in July. In June the total was 131,880 tons and in July last year, 122,285. The United States output advanced 606 tons in July to 45,558 tons. The German production was 255 tons higher at 12,711 tons and the Anglo-Australian output of 12,719 tons rose 547 tons.

Cement Production

Canadian producers reported shipments of 539,145 barrels of Portland cement during July, as compared with 559,321 in June and 457,175 in July, 1935. Shipments during the seven months ending July were 2,169,086 barrels, an increase of 21.4 per cent over the same months of 1935.

Clay Products

Sales of clay and clay products by Canadian operators were valued at \$373,476 in July as against \$343,591 in June and \$348,978 in July last year. During the seven months ending July, sales amounted to \$1,633,767, or 8.9 per cent above the same period of last year.

Limo Production

Shipments of limo from Canadian kilns in July amounted to 36,927 tons as compared with 37,294 in the previous month and 34,018 in the corresponding month last year. During the seven months ending July, production amounted to 241,024 tons as compared with 227,803 tons shipped during the same period last year.

Wheat Stocks and Movement

Canadian wheat in store on October 9 shows an increase of only 662,584 bushels compared with the previous week and a decrease of 92,199,345 from last year. The visible supply including 9,185,104 bushels in rail transit amounted to 162,770,877 bushels compared with 162,116,293 a week ago and 254,978,725 a year ago. Wheat in transit on the lakes was 5,597,960 bushels compared with 5,973,062 and 9,185,104.

Overseas export clearances of wheat for the week ending October 9 amounted to 3,758,013 bushels and imports of Canadian wheat into the United States for consumption and milling in bond for re-export in the same week were 1,188,000. This compares with overseas clearances of 2,599,321 bushels and United States imports of 25,000 bushels in the same week last year. Total clearances from the commencement of the crop year to October 9 were 37,265,187 bushels as against 23,570,379 a year ago. United States imports of Canadian wheat during the same periods were 13,258,000 and 7,982,762 bushels.

Wheat marketings in the Prairie Provinces for the week of October 2 amounted to 6,812,243 bushels as against 9,160,632 in the previous week and 13,513,933 in the same week last year. Total marketings from August 1 to October 2 were 100,696,930 bushels as compared with 97,460,048 in the same period of last year.

Reports Issued During the Week

1. Car Loadings.
 2. The Adhesives Industry, 1935.
 3. Asbestos Production, July.
 4. Petroleum and Natural Gas Production and Gasoline Sales, July.
 5. Gypsum Production, July.
 6. First Estimate of Yield of Root and Fodder Crops, Canada.
 7. Index Numbers of Security Prices.
 8. The Cooperage Industry, 1935.
 9. Farm Implements and Machinery Industry, 1935.
 10. Cold Storage Holdings of Meat and Fish, Oct. 1, 1936.
 11. Production of Butter and Cheese, September, and Stocks of Dairy and Poultry Products at Oct. 1, 1936.
 12. Cold Storage Stocks of Apples and Small Fruits at Oct. 1, 1936.
 13. Summary of Export of Canadian Grains and Flour, September.
 14. Index Numbers of 23 Mining Stocks.
 15. Statistics of Steam Railways, 1935.
 16. Grain Situation in the Argentine.
 17. Index Numbers of Wholesale Prices.
 18. Census Press Bulletin No. XIII.
 19. Retail Merchandise Trade, Ontario, 1935.
 20. Cement, Clay and Lime Production, July.
 21. Silver, Lead and Zinc Production, July.
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