

WEEKLY BULLETIN

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The decline in the Economic Index was more than 2 per cent from the preceding week but the gain over the same week of 1935 was 13.6 per cent

Owing to the decline in four of the six major factors, the economic index showed a decline of 2.2 p.c. from the preceding week. The standing was 109.4 against 111.9. While gains were shown in the index of carloadings and trading on the stock exchanges, other major factors considered in this connection recorded recessions. The decline in bank clearings, after usual adjustments was 17.3 p.c., the index receding from 106.9 to 88.4. The amount was nearly \$344 million against \$422 million in the preceding week.

The index of wholesale prices receded one tenth of 1 p.c., the standing in the week of October 30 having been 76.8. Wheat prices receded on the Winnipeg stock exchange, the average of the week for No. 1 Northern having been 109 7/8 per bushel against 111. Coarse grains showed a mixed trend with minor declines in oats and rye, while barley and flax were stronger. Livestock prices receded at Toronto. Base metals were stronger on the New York metal market, advances being registered by copper, lead and tin. Zinc and silver remained unchanged. The Canadian index of non-ferrous metals rose from 70.7 to 71.5, due to increases in copper, lead, tin and zinc. The copper index advanced 1.3 points during the week and reached 71.8, its highest level since 1931.

The railway freight movement was considerably heavier in the 43rd week, the index advancing from 74.5 to 74.9. The gain before seasonal adjustment was 4,784 cars. Considerable increases were shown in the movement of coal and l.c.l. merchandise while changes in the other commodity groups were of minor proportions. The decline in bond prices continued for the 7th consecutive week, offsetting the advance from July to September. A firmer tendency prevailed toward the end of the week, and prices were somewhat higher. The bid quotation for the 4 1/2 p.c. 1947-1957 Dominion Government bond was 110 7/8 on October 30 against 110 1/2 on October 23. The 3 per cent 1950-55 bond which had been 99 1/2 advanced to 99 3/4. The average yield of the issues used in this index was 3.20 as compared with 3.19 for the previous week. A recession was shown on the stock exchanges which was fairly general among the groups of the official classification. Steel, milling, textile and food stocks advanced contrary to the general tendency, while the index of 19 power and traction stocks moved up from 77.2 to 78.2.

Comparison with same week of 1935

The economic index was 109.4 in the week under review against 96.2 in the week of November 2 of last year. The gain of 13.6 p.c. represents considerable advance in each of the six major factors. The gain in carloadings and wholesale prices was 5.6 p.c. and 6.1 p.c., respectively. Wholesale prices advanced considerably during July and August, breaking away from the stabilized level apparent from the beginning of 1934. While the rise in crop products was the main influence in raising the index during the latter part of the summer, other groups, especially non-ferrous metals, have recently assisted in the further strengthening movement. Carloadings were unusually heavy in August and September, reflecting a heavy movement of grain due to the early harvest. After adjustment for seasonal tendencies a decline in trend has been shown from the middle of September. Bond prices have shown recession from the high level of September but the index of inverted bond yields stands 12.6 p.c. above the corresponding week last year.

After showing a marked advance for 8 weeks common stock prices, reflected the influence of profit-taking in the last week of the month. The index of 112 stocks was 29 per cent higher than in the same week of last year when a rising movement was in evidence.

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
Nov. 2, 1935	71.0	72.4	132.1	75.5	103.5	227.4	96.2
Oct. 24, 1936	74.5	76.9	149.5	106.9	134.4	317.8	111.9
Oct. 31, 1936	74.9	76.8	148.8	88.4	133.7	447.1	109.4

Industrial Production in Important Countries

General gains in the indexes of industrial production in the leading countries presents evidence of world-wide economic recovery. The indexes of each of the 18 countries considered in this connection showed gains in the latest available month over the same month of 1935.

The increase in the Canadian index compiled by the Dominion Bureau of Statistics was 8.1 p.c. In this respect Canada stood ninth among the 18 countries. The advance in the index of Canada was fairly continuous since the first quarter of 1933 when the low point of the depression was reached. The standing in the latest comparable month was 85.7 p.c. of that of 1929 when industrial production was at a maximum in the history of the Dominion. Activity in September was 17.6 p.c. greater than the monthly average in 1926 regarded by many as a normal level for the post-war period.

Productive operations in the United States showed marked improvement in the last twelve months. The average index on the 1929 base was 83.7 in the first nine months of 1936 against 73.4 in the same period of last year. The gain of 14 p.c. was relatively greater than in 15 of the other 17 countries.

Russia led the list in regard to percentage gains over the same month of a year ago. The index on the base of 1929 moved up from 262 to 348. The gain of 32.7 p.c. represents the rapid progress in the last twelve months.

While the gain in the United Kingdom was only about 10 p.c., the index for the latest available period was 14.9 p.c. greater than the average for 1929. The index is now ruling higher than at any time during the period of observation.

The widespread nature of industrial expansion indicates a trend in the direction of "world economy", in which all the members prosper or suffer together. The recent major depression was well-nigh worldwide in its scope, and the emergence from the worst phases of that condition has now become an accomplished fact.

Indexes of Industrial Production in 18 Countries for the available period of 1936 compared with the same period of 1935 (1929=100)

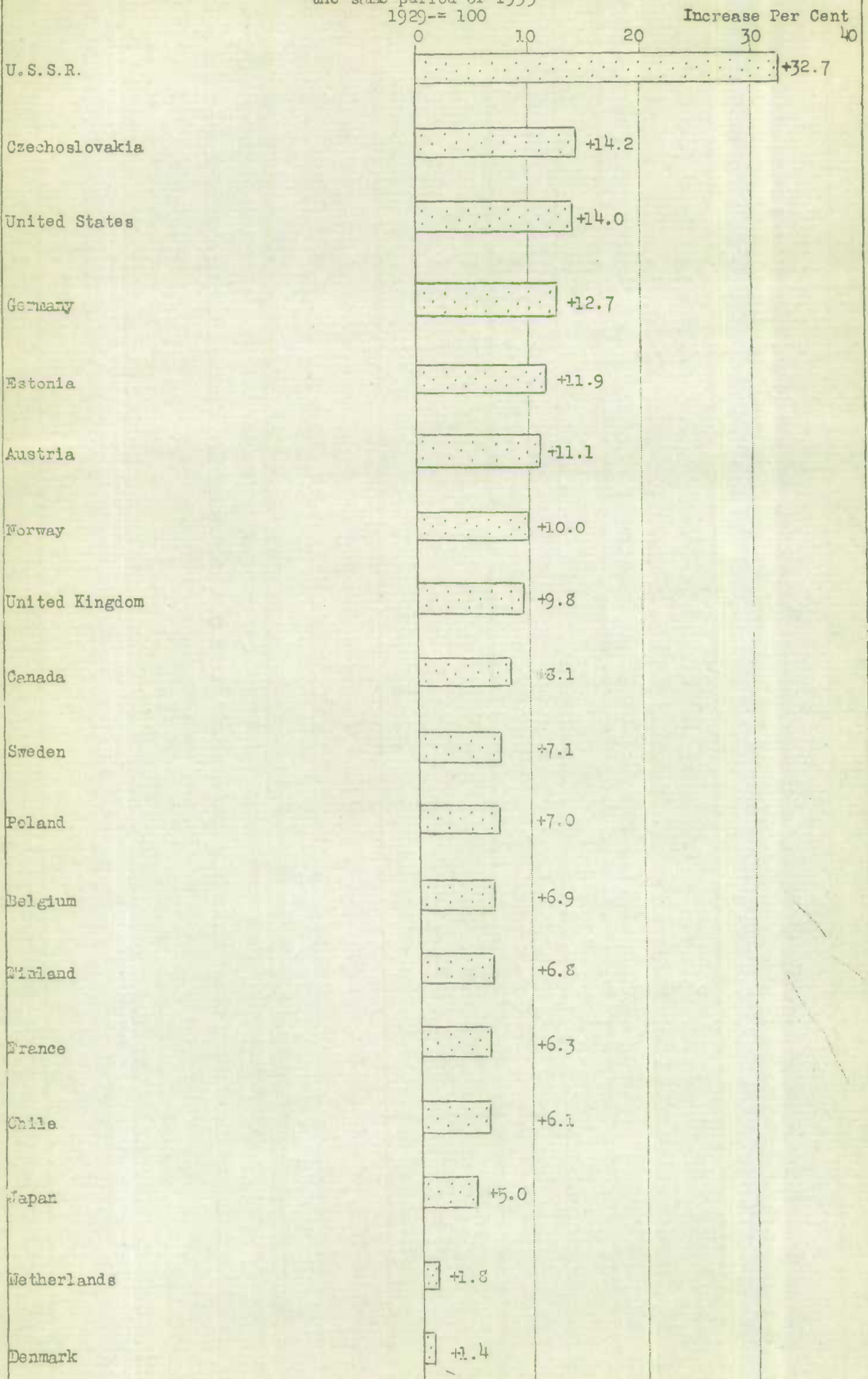
	1936	1935	Increase + Decrease - Per Cent
U.S.S.R.	347.8	262.0	+ 32.7
Czechoslovakia	75.7	66.3	+ 14.2
United States	83.7	73.4	+ 14.0
Germany	102.2	90.7	+ 12.7
Estonia	117.0	104.6	+ 11.9
Austria	83.3	75.0	+ 11.1
Norway	112.0	101.8	+ 10.0
United Kingdom	114.9	104.6	+ 9.8
Canada	85.7	79.3	+ 8.1
Sweden	134.2	125.3	+ 7.1
Poland	70.5	65.9	+ 7.0
Belgium	73.9	69.1	+ 6.9
Finland	130.0	121.7	+ 6.8
France	70.8	66.6	+ 6.3
Chile	121.3	114.3	+ 6.1
Japan	145.0	138.1	+ 5.0
Netherlands	68.9	67.7	+ 1.8
Denmark	121.6	119.9	+ 1.4

Source: Monthly Bulletin of the League of Nations, October, 1936.

Current Trends in Wholesale Trade

The improvement of 13.2 per cent in wholesale trade in September over the same month last year, is a continuation of the advances indicated in each of the monthly comparisons, resulting in an increase of 9.6 per cent in the third quarter over the same period of last year.

Indexes of Industrial Production in 18 Countries for the available period of 1936 compared with the same period of 1935
1929=100



Commercial Failures

The number of commercial failures in the first half of 1936 was less than in the same period of any other year during the term of observation from 1921 to the present. The total number of failures was 629 against 678 in the same period of 1935. Significant betterment was shown over 1932 when 1,239 failures occurred. The defaulted liabilities for the first half of 1936 were \$8,511,715 compared with \$8,518,270, \$13,017,644 and \$19,355,795 for the three preceding years.

Retail Merchandise Trade in Quebec

Retail sales in Quebec during 1936 amounted to almost \$462,000,000, an increase of three per cent over 1934 and 10 per cent over 1933. The index of sales for 1935 on the 1930 base equals 100, stands at 70.9. For the second consecutive year, motor vehicle dealers reported the greatest annual increase in business, sales amounted to \$56,456,000, a gain of 22 per cent over 1934 and 58 per cent over 1933. The furniture and household group was second in percentage increase in value, amounting to \$17,301,000 against \$15,815,000 in 1934. The lumber and building materials group, with sales of \$16,085,000 compared with \$15,769,000, recorded a smaller gain than that shown in most provinces. Sales of grocery and combination stores remained practically unchanged at \$91,332,000.

Wheat Stocks and Movement

Canadian wheat in store on October 30 shows decreases of 3,265,344 bushels from the previous week and 116,752,505 from the corresponding date last year. The visible supply amounted to 153,996,942 bushels compared with 157,262,286 a week ago and 270,749,447 a year ago. Canadian wheat in the United States amounted to 22,282,462 bushels compared with 20,990,550 and 32,049,390 bushels in the same comparison. Wheat in transit on the lakes was 4,291,688 bushels compared with 6,800,782 and 5,708,488 bushels.

Marketings of wheat in the Prairie Provinces for the week of October 23 amounted to 4,564,291 bushels compared with 6,470,881 last week and 11,657,848 in 1935. The total for the twelve weeks of the crop year was 117,180,743 bushels compared with 139,076,939 in 1935.

Overseas export clearances amounted to 4,881,158 bushels during the week of October 30 compared with 3,550,973 a week ago and 4,578,472 in the same week of last year. Imports of Canadian wheat into the United States for consumption and milling in bond for re-export were 1,128,000 bushels compared with 863,000 and 1,914,000 bushels, respectively. Total clearances from August 1 to October 30 amounted to 48,165,508 bushels compared with 33,136,101 a year ago. United States' imports of Canadian wheat were 18,445,876 bushels and 14,540,433, respectively.

Estimated Population of the United States

The estimated population of the United States at July 1 was 128,429,000, according to a report received from the Bureau of Census. On July 1, 1935, the population was 127,521,000, and on the same date in 1930 it was 123,091,000.

Changes in the Value of Retail Sales

Indicative of the recovery movement in evidence throughout Canada, retail sales for September were 5.7 per cent higher than during the corresponding month last year. This gain in value of sales was partly due to a moderate rise in price levels as well as to increased volume. The general index, adjusted for number of business days and for normal seasonal variations, was 76.6 for the latest month, and 72.5 for September last year, based on average monthly sales in 1930 as 100.

September Imports of Paper

September imports of paper were \$78,000 higher than in the same month last year. The totals were \$556,935 as compared with \$478,827, the United States being the chief source at \$358,433, followed by the United Kingdom with \$112,742. The import of 31,760 cwt. of wood pulp and 242 cords of pulpwood came from the United States, both increasing over 1935.

Farm Implements and Machinery

Imports of farm implements and machinery in September were much higher than in the corresponding month last year. The value increased to \$800,522 from \$430,335 a year ago. The total from the United States was \$768,092, with the comparatively small amount of \$19,105 from the United Kingdom. The feature of the month was the import of traction engines. These increased to 550 machines at \$476,695 from 91 to \$77,594, all of which came from the United States. Parts for traction engines were worth \$134,359, chiefly from the United States, compared with \$141,608.

Imports of Crude Petroleum

Imports of crude petroleum in September amounted to 138,029,034 gallons valued at \$4,304,769 as compared with 131,234,607 at \$3,888,889 in September, 1935. The leading source of supply was the United States with 108,021,937 gallons, Colombia 14,635,333, Peru 7,794,529 and Venezuela 7,557,235.

Imports of Tea

Imports of tea in September, amounting to 2,889,791 pounds, were only slightly lower than those of the same month last year. Tea of Ceylon was 1,299,594 pounds, India 1,222,611, Japan 191,720 and China 98,208 pounds.

Coffee and Chicory

September imports of chicory and coffee amounted to 3,039,041 pounds valued at \$267,446 compared with 2,310,989 at \$220,949 in the same month last year. Of this amount green coffee was 2,939,256 pounds at \$238,388, coming mainly from British South Africa at 1,339,173 pounds, Jamaica 493,232, Colombia 453,764 and Brazil 433,172 pounds.

Raw Rubber Imports

Raw rubber imports amounted to 5,361,220 pounds valued at \$848,457 in September against 3,593,662 at \$419,170 a year ago. The Straits Settlements was the leading source of supply with 3,950,976 pounds, Ceylon 733,969, the United States 440,375, British India 119,158 and the United Kingdom 116,742. Total imports of rubber during the month were worth \$1,044,338 compared with \$641,153.

August Asbestos Production

Asbestos shipments during August amounted to 25,128 tons compared with 27,749 in the preceding month and 23,153 in August, 1935. Shipments during the eight months ending August totalled 173,258 tons, a gain of 42.7 per cent over the same period of last year.

Crude Petroleum Production

The Canadian output of crude petroleum in August amounted to 139,789 barrels as compared with 139,940 in July and 121,517 in August, 1935. During the eight months ending August the total production was 962,807 barrels compared with 957,275 a year ago. Production from Alberta sources amounted to 124,107 barrels, compared with 122,771 in July.

Retail Merchandise Trade in the Maritime Provinces

Retail sales in the Maritime Provinces in 1935 totalled \$151,613,000, increase of five per cent and 17 per cent over 1934 and 1933, respectively, bringing the index number of sales for this economic division to 76.7 on the 1930 base equals 100. New Brunswick sales amounted to \$61,318,000, an increase of almost six per cent over 1934; Nova Scotia, \$80,409,000, a gain of six per cent, and Prince Edward Island \$9,886,000, an increase of 2.5 per cent.

• Natural Gas Production

The Canadian production of natural gas in August was recorded at 1,140,433,000 cubic feet, as against 1,210,414,000 in July and 1,054,043,000 in August a year ago. During the eight months ending August the output aggregated 18,159,602,000 cubic feet, or 10.7 per cent above the total for the corresponding period of 1935.

Vegetable Oils in September

The increase in the import of vegetable oils in September to \$753,168 from \$671,454 last year, was due to greater importations of palm oil and shea butter, which amounted to the value of \$153,021. There was none imported last year. Imports of coconut oil were worth \$98,306 against \$120,544; cottonseed \$69,443 against \$37,949 and olive \$31,006 compared with \$45,325. The United Kingdom was the leading source with \$217,247, the United States \$208,622, Straits Settlements \$101,733, Nigeria \$46,587, Philippines \$28,116 and Italy \$27,262.

Fresh Fruits in September

The import of fresh fruits increased substantially to \$1,236,849 in September from \$998,492 a year ago, due mainly to higher importations of grape fruit, grapes, melons, oranges, peaches, plums and prunes. Most of the import came from the United States. Domestic exports fell to \$316,283 in September from \$558,406. The export of blueberries was at higher levels but other fruits were lower.

Imports and Exports of Fresh Vegetables

September imports of fresh vegetables were lower than last year. The value was \$28,575 compared with \$27,331. The greatest decline was in the import of lettuce, which fell from 826,733 pounds to 82,367, on the other hand, celery and cabbage increased. Domestic exports rose to \$130,538 from \$109,394, because of increased export of potatoes. The United States was the leading purchaser during the month.

Canned and Preserved Vegetables

Canned vegetables imported in September were of the value of \$28,435 compared with \$9,433 in September last year. The bulk of this came from the United States. In addition, pickles and sauces were valued at \$25,198 compared with \$21,753, coming chiefly from the United Kingdom, followed by the United States. Domestic exports of pickles and canned vegetables amounted to \$141,742 against \$130,371; canned beans accounted for \$39,311 and canned tomatoes \$72,953. The United Kingdom was the main buyer, followed by British South Africa, Newfoundland, Bermuda and United States.

Canned and Preserved Fruits

Imports of canned and preserved fruits were valued at \$232,855 in September compared with \$162,455 a year ago. Canned pineapples was the leading item, coming mainly from the Straits Settlements. The chief source of the September import of canned or preserved fruits was the Straits Settlements with \$93,729, followed by Australia at \$37,567, Italy \$25,877, the United States \$24,434 and the United Kingdom \$14,681. Domestic exports increased to \$61,536 compared with \$26,468, largely to the United Kingdom.

Milling of Grains

There were 6,866,806 bushels of wheat ground in Canadian mills during September as compared with 6,932,568 in the same month last year. Corn, barley and mixed grains were higher than last year, while oats and buckwheat were slightly lower. Milling was as follows, with 1935 figures in brackets: Wheat 6,866,806 (6,932,568) bushels, oats 1,107,886 (1,157,068), corn 273,700 (218,914), barley 104,696 (68,880), buckwheat 9,751 (10,373), and mixed grain 1,269,421 (1,134,815).

Flour production during the month amounted to 1,516,123 barrels compared with 1,535,189 for the same month last year. Exports of flour amounted to 378,318 barrels compared with 395,640.

Reports Issued During the Week

1. Retail Merchandise Trade in the Maritime Provinces, 1935
 2. Petroleum and Natural Gas Production and Gasoline Sales, August
 3. Asbestos Production, August
 4. Index Numbers of Security Prices
 5. Butter, Cheese and Eggs in Cold Storage
 6. Imports of Rubber, September
 7. Imports of Tea and Coffee, September
 8. Imports and Exports of Wire, September
 9. Imports and Exports of Pipes, Tubes and Fittings, September
 10. Imports of Petroleum and Its Products, September
 11. Imports of Farm Implements and Machinery, September
 12. Imports of Pulp Wood, Wood Pulp and Paper, September
 13. Changes in the Value of Retail Sales, September
 14. Index Numbers of 23 Mining Stocks
 15. Canadian Grain Statistics
 16. Canadian Milling Statistics, September
 17. Footwear Trade, September
 18. Imports and Exports of Canned and Preserved Fruits, September
 19. Imports and Exports of Pickles and Preserved Vegetables, September
 20. Imports and Exports of Fresh Vegetables, September
 21. Imports and Exports of Fresh Fruits, September
 22. Imports and Exports of Vegetable Oils, September
 23. Current Trends in Wholesale Trade, September
 24. Retail Merchandise Trade in Quebec, 1935
 25. Weekly Index Numbers of Wholesale Prices
 26. Car Loadings on Canadian Railways
 27. The Boatbuilding Industry, 1935
 28. Commercial Failures, June
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