

## WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce

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Ottawa, Saturday, November 14, 1936.

The Economic Index showed Gains of 1.2 p.c. and about 15 p.c. over the preceding week and the same week of last year, respectively

The economic index maintained by the Dominion Bureau of Statistics showed a gain of 1.2 p.c. in the first week of November, the standing having been 110.7 against 109.4 in the week of October 31. Three of the six major factors recorded gains in this comparison while one was unchanged and two registered declines.

Car loadings indicated a reduced railway freight movement in the 44th week, the index of car loadings receding from 74.9 to 73.5. The movement was 57,983 cars against 59,955 in the preceding week, the decline being not far from 2,000 cars. After reaching a high point about the first week of September, car loadings have now shown decline for two months, after seasonal adjustment.

The level of wholesale prices was stable in the week of November 6, the index remaining unchanged at 76.8. No. 1 northern wheat averaged lower than in the preceding week, the price having been  $108\frac{1}{2}$  against  $109\frac{7}{8}$ . Coarse grains were mixed, advances having been shown for oats and barley, while flax showed recession and rye was unchanged. Live-stock prices receded on the Toronto stockyards. The metal market at New York was strong, advance having been shown in copper, lead, tin and zinc. Electrolytic copper advanced to 10.50 cents per pound against 10 in the week of October 31, lead was 5.03 cents against 4.825, while zinc advanced from 4.85 cents to 4.95. Silver remained unchanged at  $44\frac{3}{4}$  cents per ounce. The Canadian index of non-ferrous metals climbed from 71.5 to 73.3, due to increases in copper, tin, lead and zinc. European demand for copper was unusually strong and Canadian electrolytic quotations passed the 11 cent mark.

After showing a decline for seven weeks high-grade bond prices rallied in the week of November 6. The average yield of the issues used in this index was 3.14 p.c. as compared with 3.20 for the preceding week. The inverted index of bond yields consequently rose from 148.8 to 152.0, a gain of 2.2 p.c. The  $4\frac{1}{2}$  p.c. 1947-1957 Dominion Government bond was 110  $\frac{7}{8}$  on November 6, unchanged from October 30.

Bank clearings reached a particularly high point in the week of November 5, the total having been about \$524 million against \$344 million in the preceding week. The adjusted index moved up from 88.4 to 93.9, a gain of 6.2 p.c., more than counterbalancing the reaction of the preceding week. Common stock prices moved to a new high point on the present movement in the week ended November 5. The gain in the index of 112 stocks was 2.3 p.c., the standing having been 136.8 against 133.7. Each of the groups in the official classification, with the exception of the oils and pulp and paper recorded advances. The index of 89 industrials rose more than four points at 218.6. The index of the pulp and paper stocks was maintained at 24.9, while the oils showed a minor recession. The index of 19 power and traction stocks was 81.2 against 78.2 in the preceding week.

#### Comparison with the same week of 1935

The economic index showed a gain of nearly 15 p.c. over the same week of last year. The index has recorded a lead over 1935 since the first of the year. A marked advance was shown in the index from June until September. Part of that advance was counterbalanced by the recession of October to be followed by a resumption of the advance in the first week of November. Each of the major factors used in this connection showed gains over the same week of last year. Car loadings and wholesale prices were up 11 p.c. and 6 p.c., respectively. The inverted index of bond yields and common stock prices were sharply higher than in the week of November 9, 1935. The increase in common stock prices was more than 28 p.c. despite the advance which was under way during the last quarter of 1935. The index in the week under review was 136.8 against 106.7 during the same week of last year.

The economic index and each of the six major factors averaged higher in the elapsed portion of 1936 than in the same period of 1935. The economic index in the first 45 weeks of the year averaged 108.6 against 98.7 in the same period of 1935, a gain of 10 p.c. Car loadings in the first 44 weeks numbered 2,083,000 against 1,995,000 last year, the indicated gain in the freight movement being 4.4 p.c. Owing to the advance since June wholesale prices have averaged  $2\frac{1}{2}$  p.c. higher than in the first 45 weeks of 1935. The gain in common stock prices was spectacular the lead over 1935 having averaged more than 30 p.c.



Despite the high level of bond prices in 1935 a further advance occurred in the present year, the lead in the inverted index of bond yields having been 8.7 p.c.

Weekly Economic Index with the Six Components  
1926=100

Week Ended	Car loadings <sup>1</sup>	Wholesale Prices	Inverted Index of Bond Yields <sup>2</sup>	Bank Clearings <sup>3</sup>	Prices of Common Stocks	Shares Traded	Economic Index <sup>4</sup>
Nov. 9, 1935	66.2	72.4	133.7	75.1	106.7	281.2	96.3
Oct. 31, 1936	74.9	76.8	148.8	88.4	133.7	447.1	109.4
Nov. 7, 1936	73.5	76.8	152.0	93.9	136.8	337.6	110.7

1. The index of carloadings is projected forward one week to correspond with the practice in computing the economic index. 2. Present value of a fixed net income in perpetuity from Dominion long-term bonds. 3. Bank clearings were smoothed by taking a three weeks moving average for the purpose of eliminating irregular fluctuations. 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.

Advance in Common Stock Prices

The weekly index of common stock prices reached a higher point in the week of November 5 than at any other time since September, 1930. The preceding maximum on the recovery was touched in the week of October 22, when the index was 134.4 against 136.8 in the week under review. The index of 112 common stocks was 28 p.c. higher than in the same week of 1935.

Each of the groups in the official classification except beverages showed marked gains in this comparison. Industrials averaged 33.5 p.c. higher, the widest percentage increases being shown in pulp and paper, milling and miscellaneous industrials. The average gain in 20 miscellaneous stocks was more than 84 p.c.

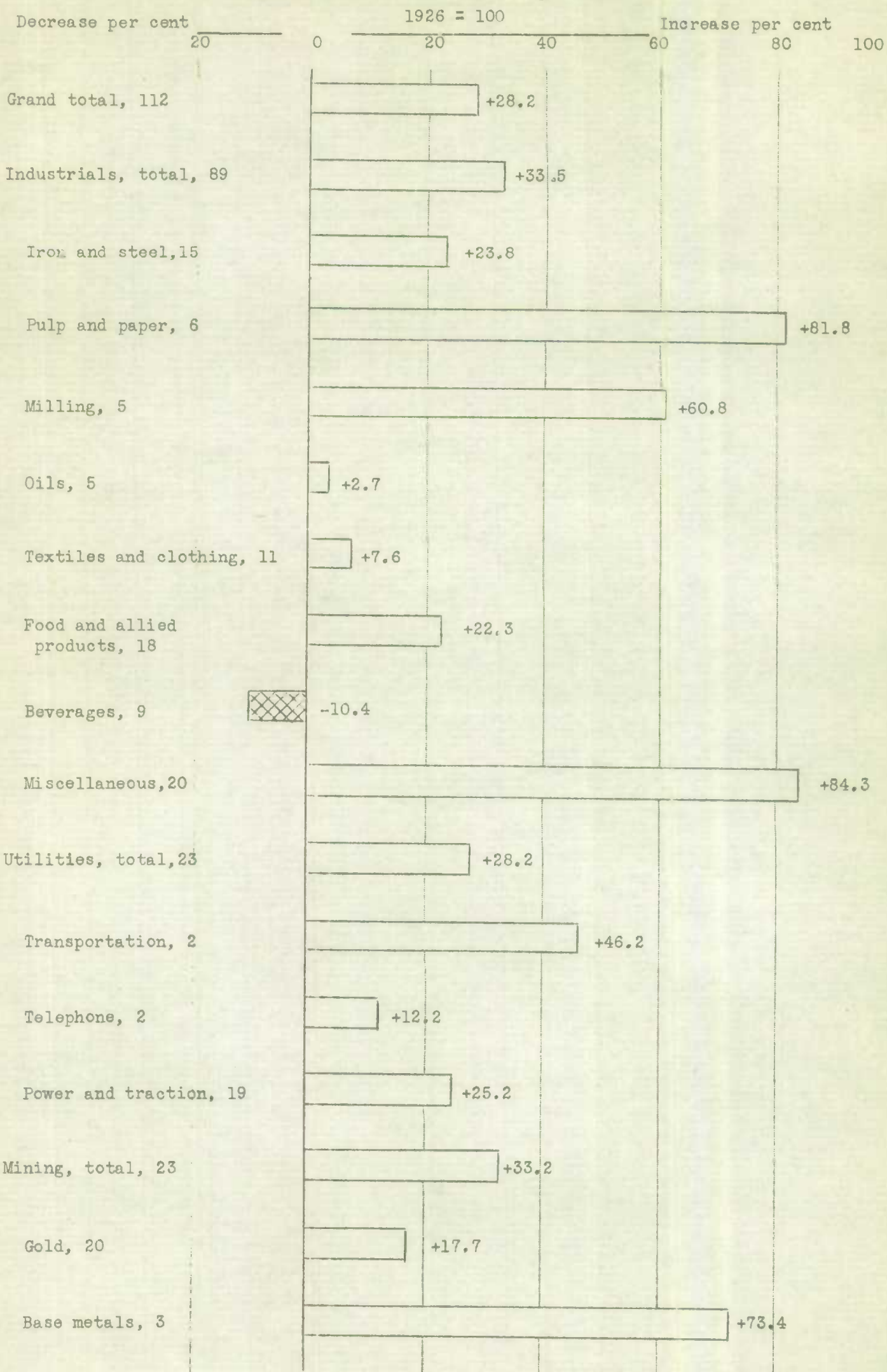
The advance in public utility stocks was of a more moderate character being limited to 28.2 p.c. The index of 19 power and traction stocks advanced from 65.0 to 81.2, the gain being slightly more than 25 p.c.

The higher level of industrial operations and the relative stability of the prices of manufactured goods favoured the revenue prospects of Canadian corporations in the last twelve months. Despite the diversity of interest among the buyers and sellers of stocks, the present and prospective profits of corporations are by far the most important consideration in determining the prices of their stocks. Hence stock market trends are significant of the business community's appraisal of the future as well as of the actual tendencies of the present.

Indexes of Security Prices for the week of Nov. 5, 1936  
compared with the corresponding week of 1935  
1926=100

	Nov. 7, 1935	Nov. 5, 1936	Increase + Decrease - Per Cent
Grand total, 112	106.7	136.8	+ 28.2
Industrials, total, 89	163.7	218.6	+ 33.5
Iron and steel, 15	128.6	159.2	+ 23.8
Pulp and paper, 6	13.7	24.9	+ 81.8
Milling, 5	64.6	103.9	+ 60.8
Oils, 5	231.8	238.0	+ 2.7
Textiles and clothing, 11	69.4	74.7	+ 7.6
Food and allied products, 18	143.2	175.2	+ 22.3
Beverages, 9	149.3	133.7	- 10.4
Miscellaneous, 20	230.6	425.1	+ 84.3
Utilities, total, 23	48.2	61.8	+ 28.2
Transportation, 2	23.8	34.8	+ 46.2
Telephone, 2	102.4	114.9	+ 12.2
Power and traction, 19	65.0	81.2	+ 25.2
Mining, total, 23	119.1	158.7	+ 33.2
Gold, 20	106.8	125.7	+ 17.7
Base metals, 3	170.2	295.2	+ 73.4

Percentage Change in Indexes of Security Prices for the Week of Nov. 5, 1936  
Compared with the Corresponding Week of 1935.





High Export of Wheat in October

The export of wheat in October amounted to 26,917,096 bushels valued at \$28,949,549. This was the highest monthly export in value since December 1928, when it was 49,088,963 bushels at \$50,344,468. The average export price in October was \$1.07 per bushel, but in December 1928 it was \$1.02. The export in October last year was 28,919,421 bushels valued at \$25,473,602, the price per bushel averaging 88 cents, or 19 cents loss. The amount to the United to the United Kingdom was 21,037,067 bushels compared with 23,365,472 in 1935.

The export of wheat flour in October was also up over last year on a value basis, the amount being 464,013 barrels at \$2,108,920 as against 501,442 barrels at \$2,009,200. The October export price at \$4.54 per barrel was about 54 cents higher than a year ago. The export to the United Kingdom was lower than last year, amounting to 231,857 barrels against 278,112.

Barley Export during October

The export of barley was large in October in comparison with the same month last year. The amount was 4,105,758 bushels at \$3,854,588 compared with 759,550 at \$321,985. The amount to the United States was a large increase, the amount being 3,531,623 bushels compared with 18,214. Exports to the United Kingdom were lower at 573,699 bushels compared with 662,720.

Export of Oats and Rye

The export of oats fell to 313,362 bushels at \$357,321 in October from 1,385,539 at \$458,069 in the same month last year. On the other hand, rye increased to 357,263 bushels at \$237,605 from 8,624 at \$4,488. A large part of the export of rye went to the United States, while the United Kingdom took most of the oats.

Sales and Purchases of Securities  
Between Canada and Other Countries

In September the international trade in securities between Canada and other countries continued to increase, more particularly in the volume of sales. The balance of purchases which has been a characteristic of this trade each month since May continued, although it was smaller than in August. Most of this balance was in the trade with the United States, the purchases from Great Britain only slightly exceeding sales. A considerable expansion in the trading between Canada and Great Britain was also a feature of the month's transactions.

Sales to the United States in September were \$24,080,465 compared with \$21,530,362 in August while purchases from that country declined from \$29,555,781 to \$27,351,749. Sales to Great Britain expanded from \$1,573,986 in August to \$5,331,130 in September, while the increase in purchases from Great Britain was from \$2,648,315 to \$6,175,718.

During the first nine months of 1936 the total value of sales to all countries was \$261,931,320 compared with \$203,049,999 in the same period of 1935 and \$247,921,990 in the comparable part of 1934. Purchases during this period were \$249,503,745 in 1936, \$168,044,143 in 1935 and \$231,809,883 in 1934.

Import of Automobiles

The September import of automobiles increased to 480 machines at \$420,000 from 164 worth \$126,000 a year ago. Most of these came from the United States, 428 at \$407,000. There were 52 from the United Kingdom valued at \$14,000. The import of parts was \$260,000 lower at \$1,125,000, the total from the United States being \$1,095,000 and from the United Kingdom \$29,000.

Fertilizers in September

The September import of fertilizers was lower than in the same month last year, amounting to 346,796 cwt. at \$156,340 against 551,173 at \$220,139. The amount from the United States was worth \$98,993 and from Germany \$52,365. Domestic exports were a marked increase, to 393,307 cwt. at \$467,350 from 125,778 at \$131,017. The chief buyers were the United States and Hawaii.



### Hides and Skins in September

Hides and skins imported during September amounted to the value of \$511,105 compared with \$395,661 a year ago. Nearly half of the total import came from the United States, followed by New Zealand with \$141,806, Argentina \$86,743 and Australia \$41,794. Cattle hides were valued at \$296,799. Domestic exports were valued at \$307,933, very little change from last year. Most of these were from the United States, and consisted chiefly of cattle hides and skins.

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### Provincial Finance

The total ordinary revenue for all provinces of the Dominion in 1934 was \$175,867,348. Taxation was the largest single source of revenue, amounting to \$73,553,567, included in which were the following principal items: motor fuel or gasoline \$26,312,274, corporation \$17,543,137, succession duties \$11,019,033, income \$6,992,206, real or personal property \$5,530,694, amusement tax \$2,103,487.

The licensing of motor vehicles was responsible for \$20,840,513, liquor or central boards \$12,814,120. Other sources of revenue included marriage licences, company licences, fees for registrations, law stamps, incorporations, public health fees for laboratories, boards of health and registration of nurses, sales of text books and King's Printer's accounts, interest on loans and advances to publicly owned utilities. There are royalties, duties and fees from lumber and mining companies.

Besides the ordinary revenue the provinces have stipulated subsidies and allowances under the British North America Act. There is some institutional revenue as well as fines and penalties.

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### Public Libraries

The operation of 642 Canadian public libraries cost less than two million dollars in 1935; in return they loaned over 21 million volumes for home use and did probably between one-third and one-half as much more for reading-room and reference-room borrowers. The year's cost of public libraries per person in Canada was 13 cents, - less than two per cent of the cost of public schools, or about 10 per cent of the cost of universities and colleges. In the United States 38 cents per person is paid, and the libraries there are able to loan nearly four books for every man, woman and child in the population, while the Canadian libraries, with less than half as much support, loan two. Yet, library work per capita in the United States is not exceptional, for the circulation in Great Britain is higher on this basis, being four and a half volumes.

Ontario is the only province in which the use of public libraries is as great, per person, as it is on the average throughout the United States. The resident of California reads nine public library books in a year as compared with the Ontario resident's four. In some parts of Canada, however, the public library is becoming a more important institution by the development of modern, regional systems of library service, especially in Prince Edward Island, British Columbia and Ontario.

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### Cost of Living

Fairly substantial reductions in prices of a few of the more important foods partially offset by firmness in fuel, clothing and rentals resulted in a decline in the general cost of living index for Canada from 81.2 in September to 81.0 in October. The comparative figure for October, 1935, was 80.3. The food index, following an upward movement extending over the period of the last five months, reversed direction and receded from 75.1 to 74.4. Higher quotations were recorded for eggs, cheese, milk and beans, but these were more than offset by easier prices for creamery butter, potatoes, onions and meats. The fuel group influenced by seasonal advances for coal and coke registered a rise from 86.1 to 86.3.

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### Securities in October

The unusual strength in industrial common stocks which developed early in September continued to carry prices steadily upward without any reaction of consequence until the fourth week of October. At that time temporary declines occurred in a few marked leaders, but the general list was again advancing in the closing days of the month. An index of



industrial prices mounted from 205.2 for the final week of September to 216.0 for the week ended October 22, and then dropped back to 214.3. At this level it was the highest since April 1930, and higher than in the two closing months of 1929. The advance was led by issues including the two largest industrial mining stocks, Nickel and Consolidated Smelters, along with Brazilian, the oil stocks, and the iron and steel section.

Utilities also showed strength mounting from 55.2 to 59.7 during the month, with most of this gain being registered in the second week. Gold stocks continued to lose ground, falling from 129.3 to 125.7, but base metals surged upward from 275.4 to 295.2 under the stimulus of higher metal prices in world markets. Growing interest in common stocks was accompanied by moderate declines in long-term bond markets. Market factors included the flotation of the large \$51,000,000 Quebec issue, and default of another small Alberta maturity. An index of Dominion of Canada long-term bond prices dropped from 113.2 to 116.6, while a yield index of the same issues rose from 64.3 to 67.2. Long-term Dominion issues rallied strongly in the closing days of October, although shorter term issues failed to record much improvement.

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#### Railway Statistics for August

The freight traffic of Canadian railways for August, measured in ton miles, was only three per cent below the record made in August, 1928, and the 1929 traffic which was also slightly above the 1936 total, was the only other August to exceed it. Gross revenues were heavier than for August, 1932 to 1935 inclusive, increasing from \$25,551,857 in 1935 to \$28,636,552. A heavy grain movement, particularly in the western provinces, was an important factor in this increase. Operating expenses were increased from \$23,485,038 in 1935 to \$26,026,403, which does not include \$564,932 charged to the Dominion Government for relief labour on maintenance work. Net operating revenues were higher by \$543,250 and the operating income increased from \$1,037,595 to \$1,614,769. The total payroll increased from \$14,829,956 to \$15,477,092 and the number of employees from 129,066 to 134,015. This is also exclusive of 8,812 relief employees.

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#### Wheat Stocks and Movement

A further decrease in stocks of wheat was recorded in the week ending November 6. This is the fourth week in which reductions have been shown in the Canadian visible supply, which is unusual at this time of the year. The amount in store, including 7,708,867 bushels in rail transit was 143,957,533 bushels compared with 153,508,340 in the previous week and 269,166,296 a year ago. Canadian wheat in the United States amounted to 22,579,157 bushels against 22,282,462 a week ago and 31,891,400 last year. Wheat in transit on the lakes was 6,753,667 bushels compared with 4,291,086 bushels and 4,491,221.

Marketings of wheat in the Prairie Provinces for the week ending October 30 amounted to 3,413,006 bushels, compared with 4,564,291 in the previous week and 7,322,271 a year ago. Total marketings during the thirteen weeks ending October 30 were 120,593,749 bushels compared with 146,399,210 in the same period last year.

Overseas export clearances for the week of November 6 amounted to 5,000,476 bushels compared with 2,877,373 in the same period last year. In addition, there were 959,000 bushels imported into the United States for consumption and milling in bond compared with 2,352,000. Clearances from August 1 to November 6 were 53,245,934 bushels compared with 36,003,974 in the same period last year; while imports into the United States were 19,404,876 compared with 16,392,433 bushels.

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#### Meat and Fish in Cold Storage

Increased cold storage holdings of meats and fish were recorded on November 1 in comparison with the same date last year. Lard was lower. With the exception of smoked, dried, pickled and salted fish and pure lard, stocks were also higher than at the beginning of the previous month. Holdings were as follows, with last year's figures in brackets: Pork 35,781,895 (23,465,160) pounds, lard 2,336,087 (2,441,135) pounds, beef 21,970,312 (19,624,433), veal 5,283,923 (3,407,712), mutton and lamb 5,643,304 (4,513,961), poultry 5,336,095 (2,310,900), fresh and frozen fish 26,266,811 (25,917,832), fish frozen during previous month 6,628,357 (5,887,631) pounds.

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### Production of Leather Footwear

Leather footwear manufactured during September amounted to 2,106,081 pairs, a gain of five per cent over the previous month and six per cent over the same month last year. Production during the nine months ending September amounted to 16,817,638 pairs compared with 16,528,838 in the same period last year.

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### Production and Sales of Radio Receiving Sets

Production of radio receivers in Canada during the second quarter of 1936 numbered 40,954 sets valued at \$1,485,914 at factory selling prices, an increase of 66 per cent in number and 50 per cent in value over the same period last year. Factory sales by the producers, at list prices, reached their highest level for any second quarter when 32,303 sets worth \$2,574,499 were sold. Ontario sales were highest amongst the provinces with 15,072 sets, Quebec 6,080, British Columbia 2,953, Manitoba 2,889, Alberta 2,585, Maritimes 1,531 and Saskatchewan 1,193.

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### Butter and Eggs in Cold Storage

Cold storage holdings of creamery butter amounted to 53,351,361 pounds at November 1 compared with 55,372,160 a month ago and 48,396,176 last year. Cheese stocks were 33,178,168 pounds against 28,277,334 last month and 38,632,728 in 1935. Fresh eggs in cold storage amounted to 182,951 dozen compared with 450,503 and 225,910; cold storage eggs 7,023,060 dozen compared with 9,957,580 in the previous month and 6,507,563. Frozen eggs totalled 4,407,997 pounds compared with 5,023,833 and 3,441,676.

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### Production of Butter and Cheese

Production of creamery butter in Canada during October amounted to 23,005,256 pounds compared with 21,276,553 in the same month last year, a gain of 8.1 per cent. All provinces, with the exception of New Brunswick and Quebec showed increases. The increase in the province of Alberta of 45.5 per cent was outstanding. Factory cheese production amounted to 15,090,422 pounds against 12,938,602 a year ago, a gain of 14.8 per cent.

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### Reports Issued During the Week

1. Production of Butter and Cheese, October; and Stocks of Dairy and Poultry Products, November 1.
  2. Production and Sales of Radio Receiving Sets, Second Quarter, 1936.
  3. Production of Leather Footwear, September.
  4. Summary of Trade of Canada, September.
  5. Cold Storage Holdings of Apples and Small Fruits, November 1.
  6. Cold Storage Holdings of Meat and Fish, November 1.
  7. Index Numbers of 23 Mining Stocks.
  8. Summary of Exports of Canadian Grains and Flour, October.
  8. Biennial Survey of Libraries, 1935.
  9. Weekly Index Numbers of Wholesale Prices.
  10. Second Estimate of Yield of Grain Crops, Canada.
  11. Financial Statistics of Provincial Governments, 1934.
  12. Grain Situation in the Argentine.
  13. Price Movements, October.
  14. Railway Statistics, August.
  15. Index Numbers of Security Prices.
  16. Car Loadings.
  17. Sale and Purchase of Securities Between Canada and Other Countries, September.
  18. Imports and Exports of Fertilizers, September.
  19. Imports of Stoves, Sheet Metal Products, Refrigerators, September.
  20. Imports and Exports of Hides and Skins, September.
  21. Imports of Vehicles of Iron, September.
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