

WEEKLY BULLETIN

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The Economic Index showed a gain of 0.7 p.c. over the preceding week and 13.8 per cent over the same week last year

Owing to the gains in five of the six major factors, the economic index recorded a gain of 0.7 p.c. in the week of December 12. The standing was 112.8 against 112.1, the index of shares traded on the stock exchanges being the only factor to show a decline. Aside from carloadings which recorded an increase of more than 7 p.c., the gains in the major factors were comparatively slight. The economic index has shown very moderate changes during the last four weeks. While ruling below the maximum level of last September, the index maintains a relatively high position. During the first fifty weeks of the present year, the index, on the base of 1926, has averaged 107.2 against 98.8 in 1935. The percentage gain of 8.5 represents considerable betterment in each of the six main factors considered in this connection.

The index of wholesale prices showed a gain of $\frac{1}{2}$ p.c., the index on the base of 1926 having been 77.8. Following the considerable advance during July and August, occasioned in part by crop shortages, the weekly index of commodity prices has shown an upward trend of minor proportions during the last three months. During the week of December 11, a new maximum was consequently reached on the present movement. Grain prices were strong on the Winnipeg exchange, No. 1 Northern Wheat averaging $114 \frac{6}{8}$ against $112 \frac{3}{8}$. Oats advanced from $45 \frac{7}{8}$ to $49 \frac{1}{4}$, while marked gains were recorded in barley, flax and rye. Live stock prices were higher at Toronto, prices of steers advancing from 4.61 to 4.75. Bacon hogs were up from 7.22 to 7.96. Metal prices, on the New York market reflected heightened demand. Lead and zinc reached the highest point for some years, the price for lead having been 5.33 cents against 5.23. Zinc was quoted 5.15 against 5.05. A slight decline was shown in the price of silver bars, while tin advanced from $50 \frac{5}{8}$ to $52 \frac{1}{8}$. The price of electrolytic copper was unchanged at 10.5 cents per pound. The Canadian index of non-ferrous metals advanced from 75.4 to 76.3 on general strength throughout the list.

Heavy movement of coal in the Western division was one of the main influences in raising the index of carloadings from 71.0 to 76.2. The total gain in the Western division was 486 cars, while a decline of 25 cars was shown in the Eastern division from the preceding week. Total carloadings during the first 49 weeks of the year were 2,344,260, a gain of 5 p.c. over the same period of 1935. The price of high-grade bonds showed a slight advance in the week of December 11. The bid quotation for the 1947-1957, $4 \frac{1}{2}$ p.c. bond was 112 against $111 \frac{1}{2}$ on December 4. The 3 p.c., 1950-1955 bond rose from $100 \frac{5}{8}$ to $101 \frac{1}{8}$. While bond prices are considerably below the maximum level of September, the reaction in October was partly counterbalanced by the recent rally.

Following the decline of two weeks, common stock prices showed a slight gain during the week ended December 10. The index of 112 stocks advanced from 133.2 to 133.4. Owing to the gains in the oils and textiles, the index of 89 industrials showed a minor increase. The index of the telephone and telegraph companies advanced from 120.2 to 120.6, while the index of 19 power and traction stocks declined from 80.0 to 79.4. The adjusted index of bank clearings advanced from 94.9 to 95.7, while a decline was shown in shares traded from the relatively high level of the preceding week.

Comparison with the same week of 1935

Owing to general increases in the six major factors, the economic index was 112.8 in the week of December 12, compared with 99.2 in the same week of last year, representing an increase of 13.8 p.c. The increase in the six major factors ranged from 7 p.c. to 19 p.c. The smallest percentage gain was shown by the index of wholesale prices which advanced 7 p.c. Owing partly to a heavy movement of miscellaneous commodities, although gains were shown in 8 of the 11 commodity groups, the index of carloadings was more than 13 p.c. greater than in the 49th week of last year. The gain in the index of capitalized bond yields was $16 \frac{1}{2}$ p.c. Since January bond prices have shown a lead over the same period of 1935. Prices advanced markedly during the first nine months of the year and the reaction in October was not of sufficient proportions to greatly affect the considerable lead over the levels of 1935. The comparison in common stock prices is affected by the marked advance which took place in the last quarter of last year. The increase over the week of December 12, 1935, however, was 17.7 p.c. Gains of 10 p.c. and 19 p.c. were shown in the index of bank clearings and shares traded, respectively.

Weekly Economic Index with the Six Components
1926-100

Week Ended	Car loadings ¹	Wholesale Prices	Inverted Index of Bond Yields ²	Bank Clearings ³	Prices of Common Stocks	Shares Traded	Economic Index ⁴
Dec. 14, 1935	67.2	72.7	133.0	87.0	113.3	354.7	99.2
Dec. 5, 1936	71.0	77.4	154.8	94.9	133.2	536.0	112.0
Dec. 12, 1936	76.2	77.8	155.0	95.7	133.4	422.1	112.8

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.

Productive Operations in November showed
betterment over the preceding month

The expansion in business operations in evidence since the first quarter of the present year was continued in November. According to preliminary calculations, the business index based on 45 factors moved up more than two per cent over the high point of October. The result was that a new maximum was reached for the period from January 1930 to the present. Mining operations continued at a high level in November. Nickel exports amounted to 14,949,000 pounds against 13,105,000 pounds in the preceding month. The decline in copper exports was greater than normal for the season, the index dropping from 422 to 370. The exports of nickel were greater than in any other November during the last 17 years. Gold shipments from Canadian mines were 333,900 ounces against 352,676 in the preceding month. Silver shipments were also at a somewhat lower level than in October. Asbestos exports were greater than in any other November in the post-war period. The imports of bauxite for the production of aluminium were greater than in any other November since 1929.

Operations in manufacturing plants were comparatively steady in November, a large percentage increase being noted in the output of automobiles and the imports of crude rubber and petroleum. The output of foodstuffs showed a minor recession from the preceding month, the index being greater than in any other November of the post-war period. The index of the output of sugar went up from 125 to 153, the seasonally adjusted production being greater than in any other month since January 1919. The increase in flour production was less than normal for the season. A gain was shown in hog slaughterings, but the increase was less than would normally be expected. The index of live stock slaughterings declined from 165 to 145. Marked increase was shown in the index of the exports of cheese and canned salmon. The gain in the imports of raw cotton was less than normal for the season, while considerable increases were shown in the imports of cotton yarn and raw wool. The index of textile imports was 148 against 149.4 in October. The output of the pulp and paper industry showed recession from the preceding month, but the index of newsprint production was greater than in any other month with the single exception of October. The index of wood pulp exports declined from 71.6 to 67.1. After seasonal adjustment the exports of planks and boards showed a slight increase. The outward shipment in November was 173,450,000 feet. The export of shingles also showed a considerable gain over the preceding month after seasonal adjustment. The forestry index consequently stood at 131 against 133.5 in October.

The activity of the primary iron and steel industry was practically maintained. The output of steel ingots was 98,534 tons against 98,330 in October. The production of pig iron increased from 70,051 tons to 74,337 tons. As the gain was contraseasonal, the index moved up sharply. The production of automobiles was 10,812 units against 5,361 in October. Petroleum imports indicative of conditions in the oil industry were heavy in November, the seasonally adjusted index showing a gain of more than 8 p.c. The index was greater than in any month since November 1934. The imports of crude rubber were 9,650,000 pounds against 6,966,000, the index moving up from 191 to 261.

The index of contracts awarded advanced from 56.7 to 62.7. The construction index showed a gain of about 7 p.c. to 54. The decline in carloadings was greater than normal for the season, the index dropping off from 74.5 to 68.7. Both divisions of the external trade showed increases before adjustment. The seasonally adjusted index of imports recorded a gain of 4.3 p.c. Exports in November were greater than in the same month of any

year since 1928, but after seasonal adjustment, the high level of the preceding month was not maintained. The index declined from 110.6 to 104.6. Before adjustment exports amounted to \$122,866,000 compared with \$113,000,000 in October.

Indexes of Business Operations in November 1936
compared with the same month of last year
1926=100

	November 1935	November 1936	Increase + Decrease - (per cent)
Common stocks	105.8	131.8	+ 24.6
Inverted Index of Dominion bond yields	134.2	153.6	+ 14.5
Copper exports	264.5	370.1	+ 39.9
Nickel exports	218.8	220.1	+ 0.6
Gold shipments	181.5	220.4	+ 21.4
Silver shipments	125.1	58.4	- 53.3
Sugar manufactured	140.5	153.0	+ 8.9
Cheese exports	41.3	72.2	+ 74.8
Canned salmon exports	117.3	94.2	- 19.7
Newsprint production	166.8	180.4	+ 8.2
Woodpulp exports	68.4	67.1	- 1.9
Steel production	148.6	155.7	+ 4.8
Pig iron production	112.2	129.2	+ 15.2
Automobile production	115.2	92.3	- 19.9
Carloadings	66.3	68.7	+ 2.8
Contracts awarded	37.7	62.7	+ 66.6
Building permits	35.5	32.4	- 8.5

Wheat Stocks and Movement

Wheat marketings in the Prairie Provinces for the week ending December 4 amounted to 1,912,236 bushels compared with 1,486,222 in the previous week and 3,232,724 in the same week last year. Total marketings during the eighteen weeks to December 4 were 131,411,241 bushels compared with 169,439,745 in the same period last year.

Overseas export clearances of wheat during the week of December 11 amounted to 3,001,553 bushels compared with 2,400,565 in the same week last year, while imports into the United States for consumption and milling in bond for re-export were 1,275,000 bushels and 2,070,000, respectively. Total clearances from August 1 to December 11 were 76,652,904 bushels compared with 51,263,312 in the same period last year. Imports into the United States amounted to 23,819,413 and 23,041,220 bushels, respectively.

Another decrease was shown in the visible supply of Canadian wheat on December 11, although not as large as that of the previous week. This is accounted for by reduced marketings in the Prairie Provinces and increased export clearances and sales. The amount in store on December 11 was 116,493,450 bushels compared with 120,053,464 in the previous week and 268,455,798 for the week of December 13 last year. Canadian wheat in the United States amounted to 24,417,045 bushels compared with 24,911,035 a week ago and 39,345,822 in 1935. Wheat in transit on the lakes was 3,874,600 bushels, 4,816,472 and 78,000, respectively.

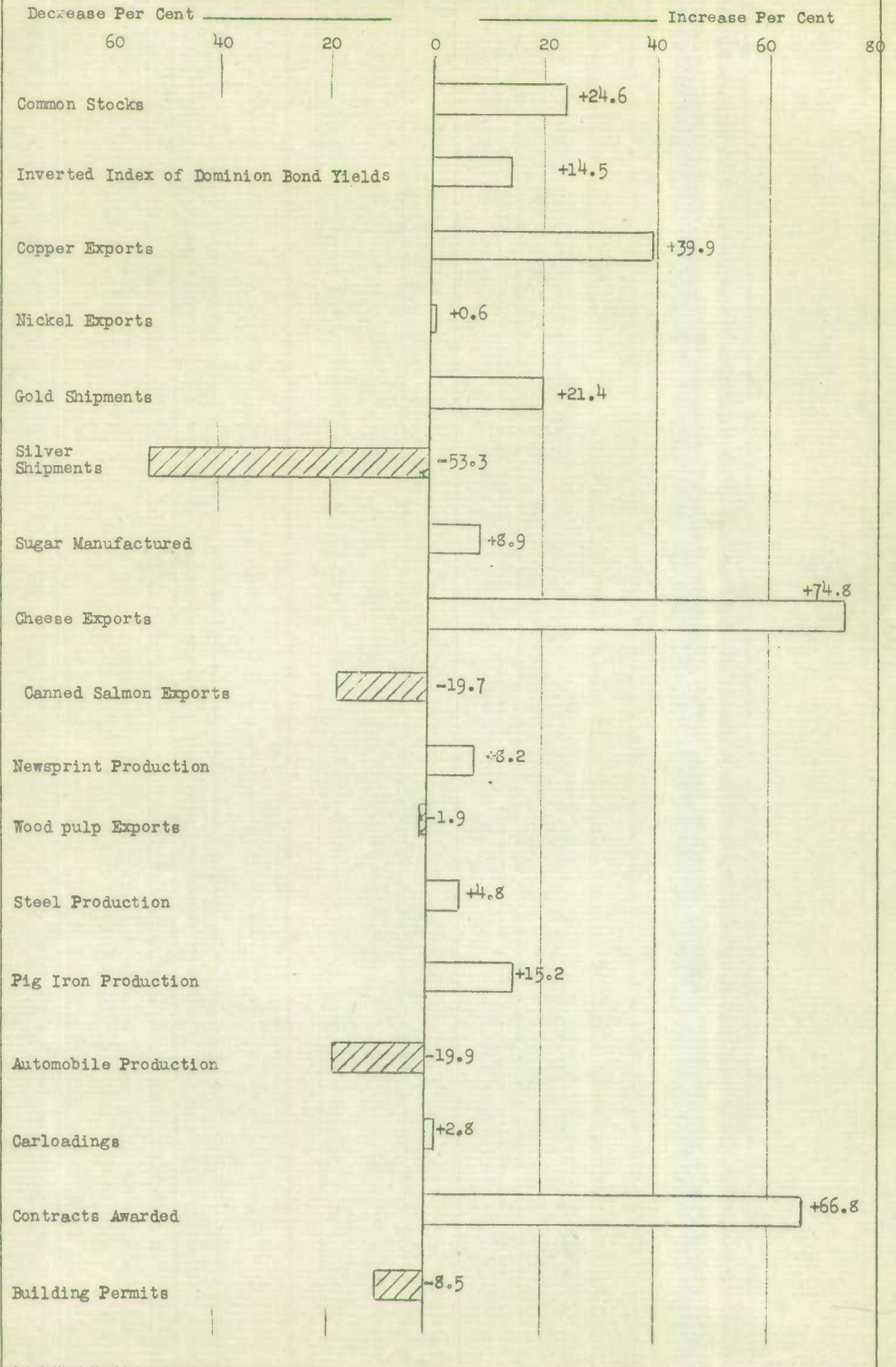
Building Permits in November

The aggregate value of the construction represented by the building permits issued by 58 cities during November was \$3,030,425, a seasonal decline of \$1,089,991, or 26.5 per cent compared with the October figure of \$4,120,416, and also \$417,228 or 12.1 per cent lower than in November 1935. Of the four largest centres, Vancouver recorded an increase in both comparisons, while Toronto showed decreases. Montreal and Winnipeg permits were higher than November, 1935.

Milch Cows

There were 3,874,000 milch cows on farms in Canada on June 1, compared with 3,849,000 a year ago, an increase of nearly one per cent. British Columbia showed an increase of 11 per cent, Saskatchewan 6.6, and Quebec 0.3. Decreases were recorded in the remaining provinces. Year-old dairy heifers on farms numbered 841,800 compared with 858,900, a decline of two per cent.

Indexes of Business Operations in November 1936
Compared with the same month of last year
1926 = 100



Commercial Failures

There were fewer commercial failures in Canada during the first nine months of 1935 than in any corresponding period since 1921. Assignments amounted to 908 with estimated assets at \$8,233,464 and liabilities amounting to \$11,967,160, compared with 980 failures with assets of \$9,252,814 and liabilities of \$12,975,483 in the same period of 1935. Commercial failures in trade were 411 against 453, in manufactures 144 against 138, agricultural 89 against 112. The number of general stores failing in the first nine months was 61 compared with 76 in 1935, 67 grocery stores against 63. There were 32 failures in fish and meat stores, 49 in clothing, 13 in jewellery and 15 in coal and wood.

Silver Production

The production of silver in Canada during September declined to 1,328,661 ounces from the August total of 1,539,360 ounces and 1,347,904 in September last year. September quotations averaged 44.7366 cents per ounce at New York, giving the month's output a value of \$594,398. Total output during the nine months ending September was 13,110,327 ounces against 11,956,763 in the same period last year. The world output was estimated at 21,788,000 ounces in September compared with 21,508,000 in August. Mexico produced 7,078,000 ounces, United States 5,524,000, Peru 1,525,000 and Australia 672,000.

Production of Lead

Lead production in Canada during September fell to 29,128,356 pounds from the August output of 33,987,026 pounds. The total for September last year was 26,471,867 pounds. Quotations at London averaged 4.05122 cents per pound; at this price the month's output was worth \$1,180,054. The Canadian output during the nine months ending September totalled 276,231,332 pounds compared with 243,837,291 in the same period of 1935. The United States production of refined lead was recorded at 29,788 tons in September, Mexico 18,675, Australia 16,787 and Germany 13,977 tons.

September Zinc Production

The production of zinc in September was recorded at 31,133,738 pounds compared with 33,506,293 in August and 27,125,462 in September last year. The average price at London was 3.12823 cents; valued at this price the month's output was worth \$973,935. During the nine months ending September, the Canadian production amounted to 257,067,130 pounds, compared with 235,760,936 a year ago. The world production was estimated at 134,083 tons compared with 137,714 in August. Production in the United States amounted to 42,283 tons, Germany 12,346 and Australia 12,453.

Gypsum Production

Gypsum production in Canada during September amounted to 87,510 tons, compared with 81,896 in August and 48,174 in September, 1935. The Canadian output during the nine months ending September totalled 568,138 tons compared with 393,312 a year ago.

Telegraph Statistics

Gross revenues of all telegraph systems declined from \$9,972,627 in 1934 to \$9,741,394 in 1935 and although operating expenses also declined from \$8,436,144 to \$8,416,329, net revenues were reduced from \$1,536,483 to \$1,325,065. Telegrams originated in Canada and received from the United States for delivery in Canada were 9,565,719 and 1,573,116 respectively, or a total of 11,138,835, and the numbers of cablegrams forwarded and received were 688,272 and 613,182, respectively. Money transferred by telegraph amounted to \$3,834,458 against \$3,950,854 in 1934.

Metals of the Platinum Group

The production of new platinum, palladium and other metals of the platinum group in Canada during 1935 totalled 190,146 fine ounces valued at \$5,408,667 compared with the all-time high of 200,162 fine ounces worth \$6,190,045 in 1934. With the exception of a relatively few ounces of alluvial platinum produced annually in British Columbia, the output of platinum metals in Canada represents recoveries made in the treatment of nickel-copper ores mined in the Sudbury area of Ontario.

Domestic Exports to the United States

Canada's domestic exports to the United States of commodities affected by the Canada-United States Trade Agreement were more than \$5,367,000 higher in November than in the same month last year, while the total for all commodities was about \$10,570,000 in excess of last year. The affected commodities were valued at \$20,891,420 compared with \$15,524,177, while total exports were \$46,536,866 against \$35,966,967. During the eleven months ending November, exports under the agreement were valued at \$194,667,373 compared with \$152,284,930, while total domestic exports amounted to \$366,992,672 against \$322,541,847.

Grain Situation in the Argentine

The correspondent of the Dominion Bureau of Statistics in Buenos Aires, writing under date of December 1 says that the third estimate by the Ministry of Agriculture of the areas seeded to the various principal grain and seed crops, excluding maize, for the season 1936-37, shows an increase over earlier estimates. The total acreage of all six of the items shows an increase of 17½ per cent, or nearly 4,942,000 acres over last year. The increased area in wheat is 23.2 per cent and that of linseed 13.2. Details follow, with figures of the first estimate in brackets: Wheat 17,495,010 (16,802,800) acres, linseed 7,434,700 (7,289,450), oats 3,158,660 (2,965,200), barley 1,924,130 (1,976,800), rye 2,203,240 (1,729,700).

Retail Prices, Rents and Costs of Services

The Dominion Bureau of Statistics index number of retail prices, rents and costs of services on the base 1926=100, rose from 81.5 in October to 81.7 in November. Increased prices for foods and fuel were mainly responsible for the advance. Retail prices alone including foods, coal, coke, clothing, household requirements, etc., advanced from 76.9 to 77.2. When foods were removed it was unchanged for November at 79.2. An index for 46 food items moved up from 74.4 to 75.0, reductions for butter, potatoes, onions and meats being more than offset by higher prices for eggs and beans. Moderate seasonal advances in the prices of coal and coke caused a rise in the fuel index from 86.3 to 86.7.

Food Chains in 1935

There were 86 food chain companies in Canada in 1935 with 2,309 stores and \$105,635,000 sales compared with a like number of chains with 2,395 stores and \$104,912,800 sales in 1934. In spite of this reduction in the number of units, a slight increase in aggregate sales over the preceding year was recorded, indicating a more substantial increase in business on the part of continuing stores. Increases of almost 10 per cent in sales in British Columbia, Alberta and Saskatchewan, were largely offset by decreases in New Brunswick and Quebec, resulting in a net gain of only 1.7 per cent for the Dominion as a whole.

Export of Wheat in November

A marked increase was recorded in the export of wheat in November over the same month last year. The total was 33,308,840 bushels valued at \$36,620,971 compared with 26,575,296 at \$21,742,851. The amount sent to the United Kingdom was 24,486,976 bushels valued at \$26,711,182 compared with 20,079,352 at \$16,588,916. The total to the United States was 1,749,343 bushels at \$1,943,202 against 3,438,207 at \$2,582,802 in November last year.

Wheatflour exports were lower than last year, amounting to 408,653 barrels at \$1,939,289 in comparison with 525,368 at \$2,217,926. The amount to the United Kingdom was 168,232 barrels worth \$803,657 and to the United States 10,696 at \$36,638.

Coarse Grains

The export of barley and rye was substantially higher in November than in November 1935, while the export of oats was lower. Barley export amounted to 3,112,559 bushels valued at \$2,722,706 compared with 1,027,563 at \$436,932, the increase being largely accounted for by heavier shipments to the United States, rising from 97,255 bushels to 2,851,012. Oats fell to 840,507 bushels at \$375,127 from 2,960,684 at \$972,272, the export to the United Kingdom dropping to 713,393 bushels from 1,991,520 and to the United States from 201,161 to 6,463. Rye exports rose to 552,005 bushels at \$398,080 from 17,143 at \$7,885, the increase being the result of increased shipments to the United States.

Reports Issued During the Week

1. Coal and Coke Statistics, Third Quarter, 1936.
 2. The Dairy Situation, August - November.
 3. The Printing and Publishing Industry, 1935.
 4. Building Permits, November.
 5. Car Loadings.
 6. Summary of Exports of Canadian Grains and Flour, November.
 7. Commercial Failures, September.
 8. Prices and Price Indexes, November.
 9. The Grain Situation in the Argentine.
 10. Preliminary Announcement of Unemployment and Employment among Wage-Earners,
Prairie Provinces.
 11. Weekly Index Numbers of Wholesale Prices.
 12. Metals of the Platinum Group, 1935.
 13. Food Chains in Canada, 1935.
 14. Silver, Lead and Zinc Production, September.
 15. Index Numbers of 23 Mining Stocks.
 16. Telegraph Statistics, 1935.
 17. Gypsum Production, September.
 18. Index Numbers of Security Prices.
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