

WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce

Vol. IV - No. 7.

Ottawa, Saturday, February 15, 1936.

Economic Index Increased $2\frac{1}{2}$ p.c. from Preceding Week and 4.4 p.c. from the Same Week of 1935.

Owing to gains in four factors, the economic index maintained by the Dominion Bureau of Statistics showed an advance of $2\frac{1}{2}$ per cent during the first week of February. Minor recessions were shown in carloadings and wholesale prices. The other four factors, especially bank clearings, showed appreciable gains over the last week of January. The index was 104.7 against 102.1 in the preceding week.

During the last five weeks, the index has shown a considerable lead over the same period of 1935. The marked advance in common stock prices during the last twelve months accounted in large measure for the improved position of the economic index. The gain in common stock prices in the week of February 7 over the same week of last year was no less than 39.6 p.c. The inverted index of bond yields recorded a gain of 5.2 per cent and a moderate gain was also shown in wholesale prices. Bank clearings were slightly less than in the same week of 1935, while a substantial decline was shown in carloadings. The economic index was 104.7 in the first week of February against 100.3 in the same week of last year, a gain of 4.4 per cent.

While carloadings were nearly maintained at the level of the fourth week of the year, a considerable decline was shown from the same week of last year when the freight movement was comparatively heavy. A deficit of 10,658 cars was shown during the first five weeks of the present year against the same period of 1935. The decline was mainly due to a reduced movement of coal, pulpwood and miscellaneous commodities. A substantial gain has been shown in grain, but the decline in other commodity groups has resulted in an aggregate drop from 203,926 cars in the first five weeks of 1935 to 193,268 in the same period of the present year.

The prices of Dominion Government bonds continued strong in the week ended February 8, the inverted index of bond yields being 141.4 as against 134.4 in the same week of last year. The prices of long-term government bonds have recently been not very much below the peaks of 1935. The bid quotation for the $4\frac{1}{2}$ per cent 1946 Dominion Government bond was 111 $\frac{3}{8}$ on February 6 against 111 $\frac{1}{8}$ on January 31. The 4 per cent 1947-52 bond was bid at 107, unchanged from January 31.

The index of wholesale prices receded from 72.6 to 72.4, the gain over the same date of 1935 being 0.8 per cent. The price of wheat averaged slightly lower at 83 cents per bushel for No. 1 Manitoba Northern. A slight gain in the price of oats contrasted with a decline in flax. Non-ferrous metal prices in New York were steady except for tin, which showed a decline from 48.625 cents per pound to 47.688. Moderate reductions in Canadian prices of copper, lead and tin, lowered the index for non-ferrous metals from 68.3 to 68.0.

The advance in common stock prices continued in the week of February 6, the index moving up from 120.7 to 124.2. Marked gains have continued since the first of the year, resulting in a new high point on the present movement.

The seasonally adjusted index of bank clearings increased from 78.1 in the week of February 1 to 93.4 in the week of February 8, and another gain was shown in the number of shares traded on the Canadian stock exchanges.

Weekly Economic Index with the Six Components
1926=100

Week Ended	Car-loadings ¹	Whole-sale Prices	Inverted Index of Bond Yields ²	Bank Clearings	Prices of Common Stocks	Shares Traded	Economic Index
Feb. 9, 1935	81.6	71.8	134.4	93.6	89.0	85.5	100.3
Feb. 1, 1936	70.2	72.6	140.6	78.1	120.7	382.1	102.1
Feb. 8, 1936	70.1	72.4	141.4	93.4	124.2	391.1	104.7

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 long-term Dominion bonds.

Marked Advance in Mining and Common Stock Prices
Since February 1935.

A marked advance was shown in common stock prices over the early months of last year. The greater part of the gain was shown in May, October and November of 1935, and in the first six weeks of the present year. The net result was that the index of 112 stocks increased from 89.0 in the week of February 7 of last year to 124.2 in the corresponding week of 1936. The monthly index for 120 stocks at 112.9 in January was higher than in any other month since September, 1930. The lowest point of the depression at 43.2 was reached in June 1932, a secondary low point of 48.9 being shown in March 1933. Consequently, the gain in January over the lowest point of the depression was no less than 161.3 p.c.

During the last twelve months, the group showing the greatest advance was that of 20 miscellaneous stocks. The increase measured by the weekly index was no less than 95 p.c. The beverage and oil groups recorded advances of 42.2 p.c. and 41.4 p.c., respectively, while the marked percentage increase of 44.9 p.c. was shown in 6 pulp and paper stocks. The textile and clothing stocks constituted the only group of the official classification showing a decline in this comparison, the recession being limited to less than 2 p.c.

The food and milling groups recorded increases of 21.2 p.c. and 22.4 p.c., respectively, while the steel group of 15 stocks advanced 9 p.c. In the week of February 6, the indexes of the paper, milling and textile groups were below the average for the base year of 1926, while the other industrial groups showed a gain over that year.

The index of 23 public utility stocks recorded an increase of 11.6 p.c. over the week of February 7, 1935. Nineteen power stocks were up 14 p.c., while the transportation and communication groups advanced 1.9 and 10.8 p.c., respectively.

The index of 23 mining stocks showed a gain of 24.7 p.c., the base metals advancing 78.2 p.c., while 20 golds were 9.8 p.c. higher.

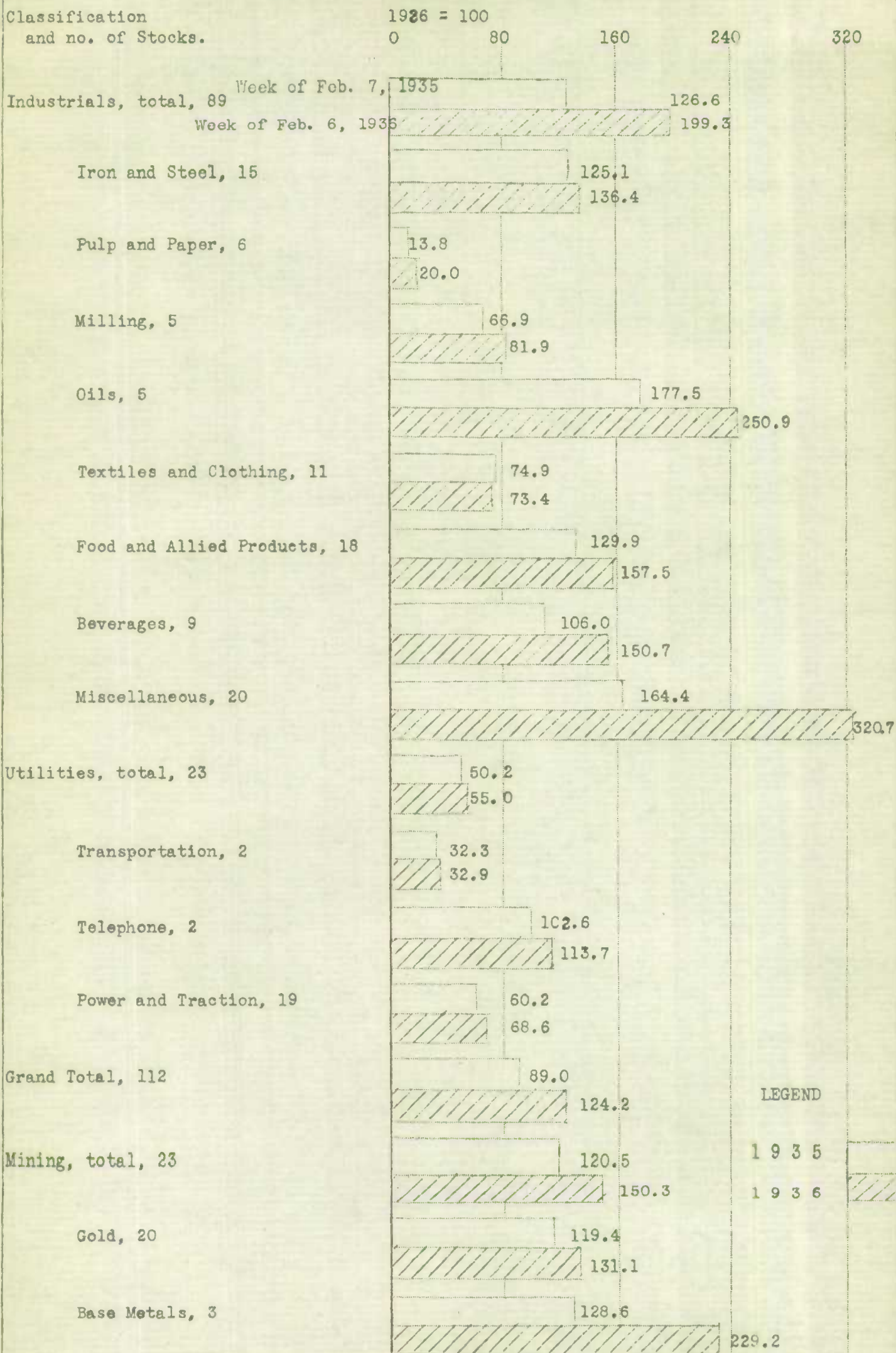
Comparative Indexes of Security Prices
For the Week of February 6, 1936 and the Corresponding Week of 1935
1926=100

Classification and Number of Stocks	February 7, 1935	February 6, 1936	Increase (+) Decrease (-) Per Cent
Grand Total (112)	89.0	124.2	+ 39.6
Industrials, total (89)	126.6	199.3	+ 57.4
Iron and steel (15)	125.1	136.4	+ 9.0
Pulp and paper (6)	13.8	20.0	+ 44.9
Milling (5)	66.9	81.9	+ 22.4
Oils (5)	177.5	250.9	+ 41.4
Textiles and Clothing (11)	74.9	73.4	- 1.9
Food and allied products (18)	129.9	157.3	+ 21.2
Beverages (9)	106.0	150.7	+ 42.2
Miscellaneous (20)	164.4	320.7	+ 95.1
Utilities, total (23)	50.2	55.0	+ 11.6
Transportation (2)	32.3	32.9	+ 1.9
Telephone and telegraph (2)	102.6	113.7	+ 10.8
Power and traction (19)	60.2	68.6	+ 14.0
Mining, total (23)	120.5	150.3	+ 24.7
Gold (20)	119.4	131.1	+ 9.8
Base Metals (3)	128.6	229.2	+ 78.2

Population of the United States

The Washington Bureau of the Census sends this Bureau an estimate of the United States population as at July 1, 1935. It is 127,521,000, being an increase over the 1930 census of 4,746,000, or 3.87 per cent.

Comparative Indexes of Security Prices for the week of
February 6, 1936 compared with the corresponding week
of 1935.



Business Conditions in Canada during 1935

The trend of economic conditions was irregularly upward during the calendar year 1935. Many readjustments are still necessary, and Canadians have difficult problems to face but on the whole constructive factors dominate the situation. Dominion Government bonds sold during the greater part of the year at prices affording exceedingly low yields to the purchaser, cheap money being a potent influence for recovery. The deposit liabilities of the banks increased since the summer of 1934, the security holdings and readily available assets reached abnormally high levels.

Industrial production in the United States and Great Britain with which Canada has close trading relations, recorded gains over 1934. The volume of Canadian crops, despite the decline in the wheat harvest, was greater than in the preceding year. The activity of the industries producing materials for the expansion of plant and equipment was considerably accelerated in 1935. This suggests that many enterprises are preparing for greater operations in the near future.

The production of manufacturing plants, according to the official index, was appreciably in advance of the preceding year, while the gain in employment was more than 7 per cent. The iron and steel and other industries engaged in the production of industrial equipment showed marked gains. The food and textile industries producing consumers' goods were also active. The automobile industry took on a new lease of life in 1935, the gain in output being about 30 per cent, and the oil industry reported further progress.

Wholesale Trade in 1935

There was an increase of 5.3 per cent in the combined sales of all wholesale firms reporting to the Dominion Bureau of Statistics compared with the sales of the same firms in 1934. The gains by kinds of business ranged from 2 per cent for dry goods to 8 per cent for footwear. Combined sales of all firms by provinces show that sales in the Maritimes were maintained at the level of the preceding year. The remaining divisions showed gains ranging from 3.8 per cent for firms in Ontario to 8.6 per cent for those in British Columbia.

Tobacco Manufactures

The output of the tobacco manufacturing industry in 1934, including excise duties, was valued at \$66,400,493 which represents an increase of \$2,165,734 or about 3.4 per cent over that of the previous year. In 1930 the value was \$85,671,786.

Cigarettes formed the main item of production in 1934 with an output of 4,843,470,000 valued at \$38,182,600. Smoking tobacco was next with an output of 19,916,321 pounds valued at \$19,939,514. This was followed by cigars with a production of 116,858,000 valued at \$4,557,969; chewing tobacco 3,118,235 pounds at \$2,642,751 and snuff 788,913 pounds at \$1,063,449.

After deducting excise taxes paid, the production value of this industry amounted to \$37,489,025 compared with \$36,784,662 in 1933 and \$37,361,781 in 1932. There were 127 establishments engaged in the industry which is centred mainly in Quebec and Ontario. These 127 firms represented a capital investment of \$51,546,009, and gave employment to 8,150 persons who were paid \$6,954,646 in salaries and wages.

The tobacco industry contributes materially to the agricultural economy of Canada. The value of materials used was \$18,629,615, of which raw leaf tobacco was \$14,164,681. All told, the tobacco industry consumed 36,100,480 pounds of raw leaf, of which 26,927,337 was of domestic origin.

Canadian foreign trade in manufactured tobacco is small compared with domestic production. Imports of cigars during 1934 were valued at \$41,687, cigarettes \$34,749, cut tobacco \$245,957, snuff \$9,871 and all other manufactured tobacco \$93,209. There was an export of 8,769,979 pounds of unmanufactured tobacco valued at \$2,026,802, going mainly to the United Kingdom.

Pig Iron Production

Pig iron production in Canada during 1935 amounted to 599,875 long tons as against 404,995 in 1934 and 227,317 in 1933.

Freight Traffic in November

Freight originated on Canadian railways and received from foreign connections during November amounted to 6,406,390 tons as against 6,199,463 in 1934. Freight loaded at Canadian stations increased by 86,194 tons, or 1.3 per cent, imports decreased by 44,127 tons, or 5.7 per cent, a decrease of 66,775 tons of anthracite coal and 32,925 tons of bituminous being the chief factors in this decline, and in-transit freight increased by 165,360 tons, or 23.3 per cent. This freight consists largely of United States freight crossing Ontario.

Sheet Metal Products Industry

The sheet metal products industry showed greater activity during 1934 than in 1933 and 1932, according to figures received by the Dominion Bureau of Statistics. The production value was \$30,910,965 compared with \$25,963,828 in 1933 and \$27,886,299 in 1932. Concerns included in this industry were engaged chiefly in making articles from sheet iron or steel, tinplate and Canada plate. Their main products included tin cans, galvanized sheets, tinplate, sheet metal building materials, bottle caps, steel office furniture, enamelled kitchenware, culverts, galvanized ware, tinware, barrels and drums, savetrough, stove pipe, etc. The average number of employees was reported at 6,118 in 1934 and their earnings aggregated \$6,264,010.

Export of Wheat and Wheatflour in January

The export of wheat in January was 7,557,320 bushels of the value of \$6,497,470 on an average export price of 86 cents per bushel. A year ago the amount was 5,380,226 bushels at \$4,265,575 on an average of 79 cents.

The export of wheat flour was 314,311 barrels at \$1,310,929, the average being \$4.17 per barrel. The amount a year ago was 346,099 barrels at \$1,315,644, the average price being \$3.80.

Wheat and Wheatflour to the United Kingdom

Exports of wheat to the United Kingdom during January amounted to 6,213,055 bushels as against 3,771,979 in January 1935. During the six months ended January the total amount of Canadian wheat sent to the United Kingdom was 88,730,773 bushels as against 63,101,129 in the same period of the preceding year.

Canadian wheatflour exports to the United Kingdom during January totalled 157,553 barrels as against 174,170 in January, 1935. During the six months ending January the total was 1,279,097 barrels compared with 1,158,249.

Coarse Grains

Barley exports during January fell to 81,408 bushels from 395,608 in the same month of 1935. The United Kingdom took the better part of the export, the amount going to that country was 74,411 bushels. The total export during the six months ending January was 3,317,568 bushels compared with 10,767,282 bushels. The export of oats was also lower, falling to 260,599 bushels from 1,331,005, the amount going to the United Kingdom totalling 195,070 bushels as against 922,612. The six month total was 7,261,594 as against 8,365,216, the United Kingdom taking 4,943,683 bushels as against 4,528,845.

There was no rye exported from Canada during January, but during the six months ending January the total was 179,935 bushels compared with 634,694 in the same period of 1935.

Retail Sales in 1934

Total retail sales for the Dominion amounted in value to \$1,942,430,000 in 1934, an increase of 9.4 per cent over the \$1,775,857,000 recorded for the preceding year. During the same interval, salaries and wages paid to employees engaged in retail trade increased from \$179,847,000 to \$186,137,000. Those wage figures include payments made to both full-time and part-time employees, but they do not include the compensation of proprietors actively engaged in their own stores.

Men's Furnishing Goods Industry

The men's furnishing goods industry showed appreciable improvement during 1934. The value of the production was \$21,712,000 compared with \$19,083,000 in 1933. The distribution of the 172 establishments reporting in 1934 was as follows: Quebec 76, Ontario 65, Manitoba 16, British Columbia 12, Alberta three, New Brunswick two and Nova Scotia one.

The principal item of production was men's and boys' shirts to the value of \$7,890,416 of which \$5,477,155 represented the factory value of fine shirts and \$2,413,261 the value of work shirts. Next in importance was overalls and smocks to the value of \$3,527,876, followed by neckties \$2,019,978, working pants and breeches \$1,685,448 and pyjamas at \$1,103,274. Imports of men's furnishings during 1934 amounted to \$1,074,638 or \$48,423 higher than in the previous year.

Furniture Industry

The furniture industry in Canada is centred in southwestern Ontario. Out of a total of 401 establishments in 1934, 206 were located in that province. The distribution for the remaining provinces was as follows: Quebec 94, British Columbia 49, Manitoba 32, Alberta 9, Nova Scotia and New Brunswick five each and Saskatchewan one. The value of the products in 1934 was \$17,159,000 compared with \$15,017,000 in 1933. The articles manufactured consisted chiefly of household furniture which in 1934 was valued at \$11,271,495 and was made up of upholstered living-room furniture valued at \$4,051,539, bedroom furniture at \$3,316,787, dining room furniture at \$1,693,718, kitchen furniture at \$1,060,902 and miscellaneous household furniture at \$1,148,549.

Railway Rolling Stocks

Production from the railway rolling stocks industry during 1934 was valued at \$34,353,000, an improvement of 14 per cent over the \$29,672,000 in 1933. The amount in 1929 was \$126,487,000. There were 37 establishments in 1934 including 15 in Ontario and 11 in Quebec. The number of employees was 16,095 compared with 16,172 in 1933, but payments in salaries and wages advanced to \$16,512,000 from \$14,524,000, which indicated longer working hours than in 1933. Many shops, however, were still on short time. Works in Quebec employed 7,003 persons, Manitoba 4,103, Ontario 2,289, Alberta 1,524 and the Maritimes 1,176. Only 19 freight cars were made in 1934, but no new locomotives or passenger cars.

Record Trade with British South Africa in 1935

Canada's trade with British South Africa during the calendar year 1935 exceeded similar trade during the years 1932, 1933 and 1934. Imports from that country in 1935 amounting to \$4,737,000, were 57 per cent greater than in 1934, 4 per cent higher than 1933 and 16 per cent more than in 1932. Canada's domestic exports to British South Africa which amounted to \$13,185,000 in 1934 were the largest on record, except for the fiscal year 1921 (\$14,649,000), a year of extremely high export prices.

The increase in imports in 1935 over 1934 amounted to \$1,730,000, and was chiefly in two items, corn and sugar. The increase in the imports of corn amounted to \$1,833,000 and sugar \$11,000. These increases, however, were offset in a measure by a decrease in the imports of fresh fruits, chiefly oranges, amounting to \$259,000. Domestic exports during 1935 were higher by \$1,082,000 than in 1934. Increases occurred in nearly every important item of trade, though there were quite large decreases in the exports of wheat, rubber goods, wood, machinery and wire.

Sales and Purchases of Securities Between Canada and Other Countries.

The international trade in securities between Canada and other countries was larger in December than in any other month of the year. The volumes of transactions between Canada and the United States and Canada and Great Britain were also the heaviest during the year. In December total sales were \$36,517,263 compared with \$30,544,056 in November while total purchases increased to \$27,837,258 from \$23,066,041. Sales to the United States were \$30,207,777 compared with \$27,714,098 in November and purchases from the United States were \$24,282,408 compared with \$18,490,740 in the previous month. Sales to Great Britain expanded from \$2,501,749 in November to \$6,202,128 in December,

but there was a contraction in purchases from Great Britain from \$4,065,207 in November to \$3,160,645 in December.

During 1935 sales of securities to investors outside of Canada amounted to \$301,829,902 compared with \$321,171,488 in 1934 and \$288,749,571 in 1933, while purchases from all outside countries were \$250,763,686 in comparison with \$312,257,155 in 1934 and \$237,727,589 in 1933. Sales to the United States increased to \$268,257,094 in 1935 from \$215,946,543 in 1934 and \$205,680,110 in 1933. Purchases from the United States in 1935 were \$200,693,959 compared with \$284,162,564 in 1934 and \$202,939,598 in 1933. Sales to Great Britain in 1935 declined to \$30,991,264 from \$102,112,195 in 1934 and \$80,807,813 in 1933. Purchases from Great Britain on the other hand rose to \$44,128,493 in 1935 from \$23,757,319 in 1934 and \$27,587,814 in 1933. It should be noted that the new public issue of \$76,000,000 Dominion Government bonds sold to a New York syndicate in August, 1935, and the two \$20,000,000 short-term banking credits arranged in New York in September and December, 1935, for the Dominion Government are not included in these figures.

Construction in 1935

The moderate recovery in building activity indicated by the value of building authorizations in leading cities during 1934, continued in evidence during 1935, when the improvement over the preceding year was generally more pronounced than that noted in 1934 as compared with 1933; however, construction work generally continued at a low level as compared with most years of the record. The permits for construction taken out in 1935 represented building valued at \$46,560,623, an increase of \$19,103,099 or 69.6 p.c. over the 1934 total of \$27,457,524, while as compared with 1933 and 1932 there were increases of 113.8 p.c. and 10 p.c., respectively. The programme of public works construction undertaken by the government during 1935 was a factor of importance in stimulating building activity, but other classes of construction also reported improvement as compared with 1934.

Although the value of building authorized by leading cities last year was higher than in 1934, 1933 or 1932, the 1935 aggregate was considerably lower than in any of the years, 1920-1931. On the average, the value of the building permits issued in the preceding fifteen years for which data are available was \$128,824,652, of which the 1935 authorizations constituted only 36 p.c. The wholesale prices of building materials during the year averaged practically the same as in 1934.

Production and Value of Commercial Fruits

Preliminary estimates of the 1935 fruit crop as shown by the Dominion Bureau of Statistics value the season's crop at \$18,562,000 as compared with \$15,412,000 for the five-year average, 1930-34. Not since the year 1929 have Canadian fruit growers received so large a return for their produce as was the case last season. The 1929 crop was valued at \$19,591,200.

Apples accounted for slightly more than two-thirds of the total, the estimate of the 1935 production being 4,432,700 barrels valued at \$12,452,100. The average value per barrel for last season's crop is \$2.89 as compared with \$2.15 for the 1934 crop and \$2.24 for the five-year average. While total production fell short of the bumper crop of 5,473,200 barrels produced in 1933, the net returns to growers were greater in 1935 because of the higher value per barrel. Strawberries rank second amongst Canadian fruits in total value of production and the 1935 crop of 26,199,000 quarts valued at \$2,249,000 was well above the five-year average of 19,435,600 quarts worth \$1,785,900.

Wheat Stocks and Movement

Overseas export clearances of wheat during the week ending February 7 amounted to 4,478,635 bushels compared with 2,209,361 in the same week last year. Imports of Canadian wheat into the United States for consumption and milling in bond for re-export were 714,000 bushels compared with 465,000, making a total overseas export clearance and import into the United States of 5,192,635 bushels of Canadian wheat compared with 2,674,361 in the same week last year.

Overseas clearances amounted to 74,452,037 bushels during the period August 1 to February 7 as compared with 68,571,660 in the same period of the previous year, and imports of Canadian wheat into the United States for consumption and milling in bond totalled 28,026,220 compared with 14,578,171. Total overseas clearances and imports into the United States of Canadian wheat were 102,478,257 bushels compared with 83,149,831.

Marketings of wheat in the Prairie Provinces for the week of January 31 were shown as 718,218 bushels, a slight increase of 34,981 bushels over the previous week, but a decrease of 319,968 from the corresponding week in 1935. During the twenty-six weeks of the crop year there were 184,134,602 bushels of wheat marketed as against 178,084,831 in the same period of the previous crop year.

Canadian wheat in store on February 7 amounted to 239,628,498 bushels compared with 244,540,152 a week ago and 244,270,226 on the same date last year. Canadian wheat in the United States at 27,275,891 bushels, shows a decrease of 2,004,196 from the amount in store a week ago, but an increase of 3,255,337 over the same week last year.

Reports Issued During the Week

- ✓ 1. Statistics for Payrolls, Stocks and Gross Margins of Retail Merchandising Establishments, 1934.
 - ✓ 2. The Men's Furnishing Goods Industry, 1934.
 3. The Furniture Industry, 1934.
 - 4. Car loadings on Canadian Railways.
 - 5. Canadian Grain Statistics.
 - ✓ 6. Hardwood Flooring Industry, 1934.
 7. Current Trends in Wholesale Trade.
 - ✓ 8. The Sash, Door and Planing Mill Industry, 1934.
 - ✓ 9. Radio Receiving Tubes, 1935.
 - ✓ 10. Business Conditions in Canada, 1935.
 11. Index Numbers of Security Prices.
 12. Summary of the Trade of Canada, Dec. 1935.
 - ✓ 13. Railway Rolling Stock Industry, 1934.
 14. Index Numbers of 23 Mining Stocks.
 15. Food in Cold Storage on February 1.
 16. Summary of Exports of Canadian Grains and Flour, Jan.
 - ✓ 17. Pig Iron Production, 1935.
 - ✓ 18. Ammonium Sulphate, 1935.
 - ✓ 19. Sheet Metal Products Industry, 1934.
 20. Employment Report.
 21. Weekly Index Numbers of Wholesale Prices.
 - ✓ 22. Tobacco Manufacturing Industry, 1934.
 23. Railway Traffic in November.
 24. Sugar Report for the Period from December 7 to 31, 1935.
 25. Sugar Report for the Period January 2 to 25, 1936.
 26. Sales and Purchases of Securities Between Canada and Other Countries, December.
 27. Annual Review of Building Permits, 1935.
 28. Production and Value of Commercial Fruits, 1935.
-

STATISTICS CANADA LIBRARY
BIBLIOTHEQUE STATISTIQUE CANADA



1010730144