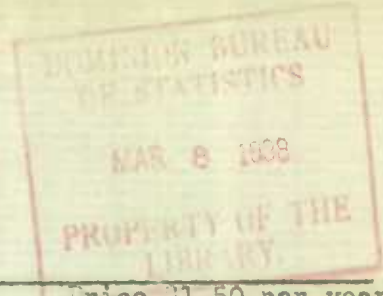


WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce



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The Economic Index Recoded 1.2 p.c. from the preceding week but showed a gain of 6.6 p.c. over the same week of 1936

The economic index despite the gain in business factors showed a decline in the last week of March, the standing having been 113.9 against 115.2 in the preceding week. Two of the six major factors recorded gains in this comparison. The increases in carloadings and wholesale prices were 0.7 p.c. and 1.3 p.c., respectively. The decline in capitalized bond yields in evidence since the first of the year was continued in the week under review. Common stock prices showed further recession after having reached a temporary high point in the first week of March. Speculative trading was less active than in any month since the beginning of the year and a decline was shown in the adjusted index of bank clearings.

Five of the six major factors showed important gains over the last week of 1936, the index having been 113.9 against 106.8. The lead in carloadings over the same week of last year was no less than 11 p.c. The most striking change was the advance in wholesale prices in evidence for the last nine months. The lead over the last week of March 1936, was 19½ p.c. Influenced by similar movements in New York and London, capitalized bond yields in Canada have shown marked decline for the last three months. The index now stands slightly more than 6 p.c. below the corresponding period of last year. The present standing is below that of either 1935 or 1936, but is greatly in excess of 1934. The gain in common stock prices over the same week of 1936 amounted to 20.6 p.c., the index standing at 143.2 against 118.7 one year ago. Considerable gains were also shown in speculative trading and bank clearings in the same comparison.

The movement of railway freight without seasonal adjustment has shown an upward trend since the beginning of the year. Continuous gains over the movement of 1936 have been shown from week to week during the last three months. Despite the deficit in the grain movement, a gain of 58,657 cars was shown in the first eleven weeks of the year over the same period of 1936. Marked gains were shown in the movement of miscellaneous commodities consisting mostly of manufactured goods. An excellent showing was also made in merchandise l.c.l., pulp wood, lumber and paper.

The advance in commodity prices in evidence since last June, was continued in the week under review, the index advancing from 85.2 to 86.3. Influences leading to the advance in commodity prices are now in evidence as indicated by the increase of 19½ p.c. over the same week of 1936. The general advance of grain prices on the Winnipeg exchange contributed to the raising of the index. No. 1 Northern wheat, averaged \$1.43 against \$1.36 in the preceding week. No. 1 C.W. flax, advanced from \$1.76 to \$1.85 1/8. No. 2 C.W. rye was \$1.09½ against \$1.06. Oats and barley also recorded gains of a more moderate character. Live stock prices, especially bacon hogs, advanced on the Toronto stockyards. Tin was considerably higher on the New York metal market, while a moderate recession was shown in silver prices. Base metals including copper, lead and zinc were fully maintained. The advance in cotton middlings continued, the average for the week having been 14.22 cents against 14.08 cents. Marked gain was also shown in rubber smoked sheets at 26¼ against 24 7/8.

While the price of Dominion bonds averaged loss in the week under review, the daily quotations indicate a firmer tendency. The 1955, 3 per cents were bid at 95¼ on March 25, against 95 on March 19. The 1946, 4½ per cents also showed a gain at 108¼ against 107¾. The course of common stock prices in the first three months of the present year resembled rather closely that of the same period of last year. The advance continued from the first of the year until the first week of March. During the fortnight ended March 25, a considerable reaction occurred. The index in the third week of March was 143.2 against 147.1 in the preceding week. Three only of the groups in the industrial division, recorded advances. The index of 15 power and traction stocks was 91.8 against 93.6. Mining stocks also showed reaction, the index declining 2 points to 170. Gold stocks were comparatively steady while considerable reaction was shown in base metals.

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
March 28, 1936	72.9	72.2	144.5	106.0	118.7	174.4	106.8
March 20, 1937	80.5	85.2	136.6	127.1	147.1	385.6	115.2
March 27, 1937	81.1	86.3	135.7	123.0	143.2	285.8	113.9

(Notes on page 2)

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.

Improved Conditions in the First Two Months of 1937

The recovery in the economic conditions of Canada continued in the early months of the present year. The index of the physical volume of business based on 46 factors showing the trend in mining, manufacturing, construction, power and distribution, averaged ten per cent greater than in the first two months of 1936. A marked change took place in commodity prices, a considerable number of factors co-operating to raise the price level. The wholesale index at 82.1 averaged nearly 13 p.c. greater than in the same period of last year.

The price of Dominion bonds rose sharply during 1936, but has shown steady decline since the first of the year. The index of capitalized bond yields based on Dominion issues was 7.7 p.c. greater in the first two months of the present year, reflecting more favourable operating conditions due to gains in business volume and wholesale prices. A marked advance of nearly 20 p.c. was shown in common stock prices. Regarding the average for 1926 as the base equalling 100, the index was 139.9 against 116.8 in January and February, 1936.

Referring briefly to business movements, it is noted that the index of mineral production constructed from nine significant factors was 9 p.c. greater. The exports of base metals was not greatly altered in this comparison while marked gains were recorded in shipments of gold and silver from Canadian mines.

The expansion in industrial operations was indicated by a gain of nearly 17 p.c. in the index for manufacturing production. The forestry industry was more active, newsprint production being up 25 p.c. while the exports of planks and boards showed the marked gain of 66 p.c. The primary iron and steel industry, indicative of conditions in the industries concerned with the expansion of plants and equipment, operated at a greater proportion of capacity, the production of steel ingots showing a gain of 19 p.c. The output of motor cars was about 48 p.c. greater. Imports of crude petroleum showed a gain of 6.2 p.c., while crude rubber imports recorded a decline of 21 p.c.

Construction operations remained at a relatively low level, while contemplated new construction suggests more activity as the season develops. Electric power production reached a new high point in the first two months of the year, the gain over the same period of 1936 having been nearly 11 p.c. The gain in carloadings was appreciable at 7.2 p.c., despite the reduction in the movement of grain.

Notwithstanding decline, after seasonal adjustment, from the latter part of 1936, the external trade of the Dominion showed an excellent lead over the first two months of last year. The increase in the value of exports and imports were 24.7 p.c. and 22.4 p.c., respectively. The gain in the surplus of exports over imports was 29 p.c., present tendencies being in the direction of a large active balance of trade on commodity account.

Statistics Illustrating the Economic Situation of Canada
in the first two months of 1937 compared with same period of 1936

	First two months 1936	First two months 1937	Increase+ Decrease-
			Per cent
<u>General Economic Situation</u>			
Index of Physical Volume of Business	105.5	116.0	+ 10.0
Index of Industrial Production	106.5	118.6	+ 11.4
Wholesale Prices	72.7	82.1	+ 12.9
Index of Common Stock Prices	116.8	139.9	+ 19.8
Inverted Bond Yields, Dominion	139.7	150.5	+ 7.7
Bank Deposits	\$ 5,759,517,563	5,959,289,037	+ 3.5
<u>Production and General Business</u>			
Copper Exports	lb. 52,133,700	52,894,100	+ 1.5
Nickel Exports	lb. 31,199,100	30,926,500	- 0.9
Zinc Exports	lb. 36,654,400	34,223,200	- 6.6

(Continued on page 3)

Statistics Illustrating the Economic Situation of Canada
in the first two months of 1937 compared with the same period of 1936

		First two months 1936	First two months 1937	Increase+ Decrease- Per Cent
Gold Shipments	Fine oz.	594,429	665,426	+ 11.9
Silver Shipments	Fine oz.	2,599,966	3,132,390	+ 20.5
Manufacturing Production	1926=100	102.5	119.6	+ 16.7
Flour Production (January)	Bbls.	981,988	1,008,630	+ 2.7
Cattle Slaughterings	No.	188,066	190,274	+ 1.2
Hog Slaughterings	No.	520,824	685,773	+ 31.7
Leather Boots and Shoos (Jan).	Pairs	1,430,971	1,386,962	- 3.1
Raw Cotton Imports	lb.	31,664,015	27,307,905	- 13.8
Paper and Lumber -				
Newsprint Production	Tons	449,524	563,223	+ 25.1
Exports of Planks and Boards	Ft.	167,593,000	277,769,000	+ 65.7
Iron and Steel -				
Steel Ingot Production	Long Tons	193,590	230,996	+ 19.3
Pig Iron Production	Long Tons	117,087	128,395	+ 9.7
Automobile and Allied Industries				
Automobile and Truck Production	No.	26,570	39,290	+ 47.9
Petroleum Imports	Gals.	100,786,265	107,058,972	+ 6.2
Crudo Rubber Imports	lb.	8,194,548	6,502,658	- 20.6
Construction -				
Contracts Awarded	\$	21,838,100	15,351,000	- 29.7
Building Permits	\$	3,223,934	3,815,613	+ 18.4
Electric Power Production	000 K.W.H.	4,030,475	4,466,806	+ 10.8
Railways -				
Car Loadings	No.	353,134	378,677	+ 7.2
External Trade -				
Exports	\$	127,542,022	159,107,448	+ 24.7
Imports	\$	82,187,674	100,563,460	+ 22.4
Excess Exports over Imports	\$	45,354,348	58,543,988	+ 29.1

March Employment Situation

Industrial employment at the beginning of March showed a contraction. Returns from 9,988 employers showed payrolls reduced from 987,879 persons on Feb. 1 to 975,862 on March 1. However, this was considerably higher than at the beginning of March, 1936, when 9,411 employers reported 931,959 persons at work.

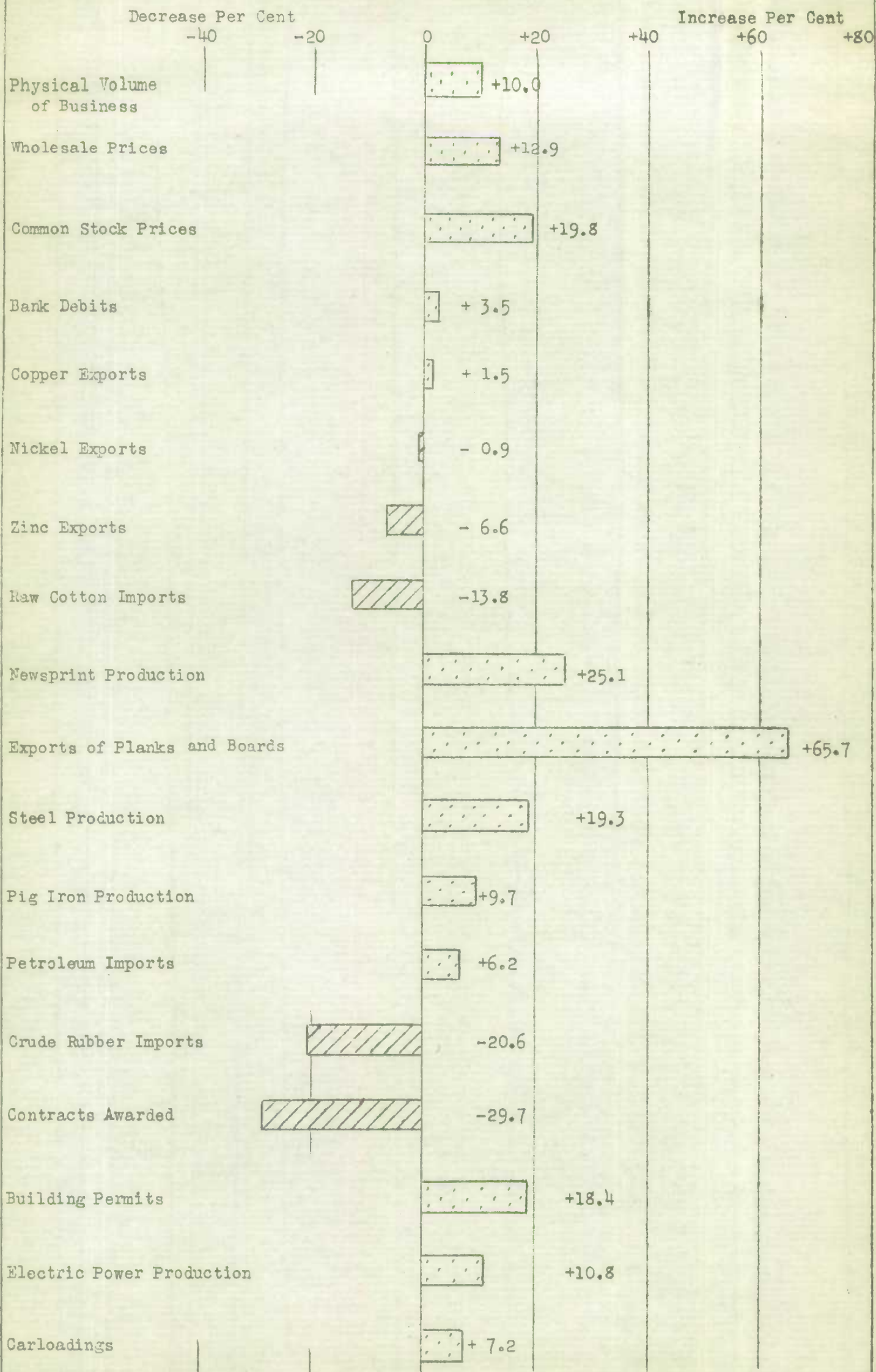
The contraction this year was due to a considerable extent to unusually large seasonal reductions in logging operations, for which weather conditions in many localities have been reported as unsatisfactory during the present winter.

Considerable improvement occurred in manufacturing when the advance in this division slightly exceeded the average increase indicated at that date in the years, 1921-1936; the additions to staffs in leather, pulp and paper, textile and iron and steel factories were most noteworthy. Among the non-manufacturing industries, there was improvement in communications, railway construction and maintenance and wholesale trade. On the other hand, logging, as already mentioned, reported exceptionally pronounced seasonal declines, some 14,600 men having been released from the co-operating camps. Mining, transportation, building and highway construction and retail trade also showed curtailment.

The index numbers of employment at March 1 in the seventeen years for which data are now available are as follows: 1937, 102.8; 1936, 98.9; 1935, 96.4; 1934, 92.7; 1933, 76.9; 1932, 88.7; 1931, 100.2; 1930, 110.2; 1929, 111.4; 1928, 102.6; 1927, 97.5; 1926, 92.6; 1925, 88.1; 1924, 91.8; 1923, 91.0; 1922, 82.9 and 1921, 89.1.

The trend of employment was moderately upward in Ontario, but activity declined in the remaining provinces, Quebec showing the most pronounced contraction; this was mainly due to decided seasonal losses in logging operations.

The Economic Situation in the First Two Months
of 1937 compared with the First Two Months of 1936.



Railways in 1936

Operating expenses of railways in Canada were increased from \$261,761,607 in 1935 to \$281,618,561 in 1936, or by 7.6 per cent, and the operating income increased from \$33,305,014 to \$37,056,190.

Freight traffic measured in ton miles was 9 per cent heavier than in 1935 and passenger traffic was also 9 per cent heavier. The average number of employees was 125,102 as against 119,874 in 1935 and a comparable number of 176,871 in 1928, the year of greatest railway employment. The total pay roll amounted to \$174,413,148 in 1936 and \$164,851,311 in 1935. This was an average annual wage per employee of \$1,394 in 1936 and \$1,375 in 1935.

The 1936 pay roll and number of employees are exclusive of \$2,496,077 for relief labour charged to the Dominion Government. This maintenance of way work lasted from May to November and for these seven months the average number of relief labourers was 5,732. The average monthly wage was \$62 for these seven months. This relief labour pay roll is not included in the operating expenses of the Canadian National, Canadian Pacific and Northern Alberta railways participating with the Dominion Government in the scheme.

Births, Deaths and Marriages

Births registered in 67 cities and towns in the two months, January - February of this year totalled 12,200, deaths 9,857 and marriages 4,241, as against 12,997 births, 8,907 deaths and 4,283 marriages during the same two months last year. This comparison shows a decrease of 4½ per cent in births and increases of 13 per cent in deaths and one per cent in marriages.

Exports of Farm Implements and Machinery

February exports of farm implements and machinery advanced to \$437,099 from \$391,882 in the same month last year, of which \$159,512 went to the United States, \$64,625 to British South Africa and \$59,833 to the United Kingdom. Ploughs and parts were worth \$177,898, milking machines \$23,773, drills \$18,844 and garden and farm tools \$17,380.

Coal Production

The Canadian coal production in February amounted to 1,292,002 tons, compared with 1,477,621 in January, and 1,492,207 in the same month last year. Totals for the provinces follow, with 1936 figures in brackets: Alberta 543,827 (741,680) tons, Nova Scotia 452,610 (420,552), Saskatchewan 117,553 (149,828), British Columbia 137,942 (140,111), New Brunswick 40,070 (39,136). Production of coke amounted to 198,277 tons in February compared with 217,610 in the previous month.

Wood-Using Industries

Total production in the wood-using industries in Canada during 1935 reached a value of \$64,802,326, an increase of close to seven million dollars from the output of \$57,860,721 reported in 1934. The 1,966 establishments engaged in this line of manufacture represented a capital investment of \$93,290,851 and gave employment to an average of 26,751 employees. The cost of materials used in these industries amounted to \$31,213,225, as against \$26,746,464 in 1934, and the value added by manufacture was \$32,173,906, as compared with \$29,758,273 in 1934.

Meat Exports

The February export of meat continued at high levels, the total being \$3,273,646 compared with \$2,267,305 a year ago, although it was slightly lower than in the previous month. Bacon and hams accounted for \$2,682,852 compared with \$1,775,093, of which \$2,604,602 went to the United Kingdom. Fresh beef amounted to \$80,021 (\$95,363), pickled pork \$34,155 (\$25,023), fresh pork \$235,531 (\$181,281), poultry \$104,439 (\$83,183) and soups \$7,954 (\$11,964). The grand total export of meats to the United Kingdom was worth \$2,822,571 and to the United States \$301,201.

Non-Ferrous Ores and Smelter Products

There was a large increase in the export of aluminium in February as compared with the same month last year, amounting to 32,472 cwt. valued at \$522,059 against 6,329 at \$113,910. The United States was the chief purchaser with 12,637 cwt., followed by Japan with 9,612 and China 5,539.

Copper in ore, matte, regulus, etc. amounted to 47,642 cwt. at \$428,504 against 43,388 at \$260,529, chiefly to the United States; copper in ingots, bars, cakes, slabs and billets, 184,300 at \$2,062,556 against 273,299 worth \$2,262,462, the chief buyer being the United Kingdom with 133,385 cwt., with large amounts to Sweden, Germany, France and Belgium; copper in rods, strips, sheets, plates and tubing totalled 25,212 cwt. valued at \$305,679 compared with 12,831 at \$123,602, of which 10,885 cwt. went to the United Kingdom, 6,735 to Belgium, 4,374 to the Netherlands and 2,244 to Switzerland.

Lead in ore amounted to \$27,177 against \$10,617, and lead in pigs 312,915 at \$1,656,423 compared with 256,265 at \$741,600. Nickel in matte or spoiss was worth \$924,031 compared with \$1,603,375, of which \$600,804 went to the United Kingdom and \$231,646 to the United States; fine nickel was worth \$3,194,762 against \$2,351,350, of which \$1,075,439 went to the United Kingdom and \$1,654,470 to the United States, \$218,410 to Japan and \$147,365 to Germany. Nickel oxide totalled \$171,283 against \$164,962, the total to the Netherlands being \$151,066. Zinc spelter totalled 111,680 cwt. at \$482,038 compared with 177,904 at \$536,205.

Gold bullion, other than monetary amounted to 290,892 ounces valued at \$10,181,175 compared with 73,924 at \$2,599,500, all to the United States; silver bullion aggregated 1,789,037 ounces at \$800,575 compared with 1,205,920 at \$543,589, the chief purchaser being the United States, followed by the United Kingdom. Silver bullion imports amounted to \$201,356 against \$255,923 a year ago, of which \$142,593 came from the United Kingdom and \$58,762 from the United States. Tin in boloks, pigs, etc. imported to the value of \$197,457 was about the same as last year, from the Straits Settlements, the United Kingdom and the United States.

Hides and Skins

The imports of hides and skins in February amounted to 33,916 cwt. of the value of \$504,000 compared with 24,614 at \$294,070 in the same month last year. The value of the cattle hides imported was \$309,659 against \$177,229, and sheep skins \$167,266 against \$59,982. Argentina was the leading source with \$128,757, followed closely by New Zealand at \$125,943.

Domestic exports of hides and skins were 38,289 cwt. at \$398,840 in comparison with 37,426 at \$348,575 last year, going largely to the United States. Cattle hides with 31,123 cwt. worth \$302,144 was the chief item.

Lumber Trade

The export of Canadian lumber amounted to 120,856,000 feet, of the value of \$2,815,413 in February compared with 95,357,000 at \$2,008,122 in the same month last year. The United Kingdom was the chief purchaser with 58,246,000 feet, followed by the United Kingdom with 39,041,000. The export was mainly as follows, with February, 1936, figures in brackets: Birch planks and boards 7,654,000 (5,318,000) feet, cedar 2,594,000 (3,757,000), Douglas fir 57,759,000 (53,134,000), pine 8,510,000 (7,238,000), hemlock 9,830,000 (5,385,000), spruce 32,251,000 (19,219,000).

Imports of lumber and timber amounted to 9,084,000 feet valued at \$366,852 in February against 6,034,000 worth \$256,604 a year ago of which 9,047,000 feet at \$365,476 came from the United States.

Imports of Autos

There was a large increase in the import of automobiles in February in comparison with the same month last year. The total was 1,387 units valued at \$976,304 compared with 356 at \$263,085 a year ago. The bulk of these came from the United States, the total being 1,289 valued at \$933,217. Automobile parts were worth \$2,723,000, of which \$2,702,000 came from the United States.

Wheat Stocks and Movement

Canadian wheat in store on March 26 amounted to 83,839,377 bushels compared with the revised figure of 85,214,026 a week ago and 208,398,448 on the same date last year. Stocks of Canadian wheat in the United States were 14,728,901 bushels compared with 15,874,638 a week ago and 17,031,018 in 1936. Wheat in transit by rail amounted to 3,410,104 bushels.

Wheat marketings in the Prairie Provinces for the week ending March 19 amounted to 1,422,401 bushels compared with 1,394,396 in the previous week and 1,594,406 a year ago. Receipts for the thirty-three weeks ending March 19 aggregated 148,051,918 bushels compared with 191,018,000 in the same period of the preceding crop year. Marketings for the week of March 19 follow, with corresponding figures for last year in brackets: Manitoba 126,077 (17,599), Saskatchewan 683,112 (1,019,051) and Alberta 613,212 (567,756).

Overseas export clearances of wheat during the week of March 26 amounted to 1,180,873 bushels compared with 3,206,525 in the same week last year, while imports of Canadian wheat into the United States were 295,000 bushels compared with 762,000. Total export clearances from August 1 to March 26 were 105,073,218 bushels compared with 98,876,010 in the same period of the preceding crop year; imports into the United States totalled 35,158,093 bushels compared with 34,353,709. Clearances follow for the week of March 26 with 1936 figures in brackets: Montreal 220 (200), Saint John 407,987 (886,599), United States ports 556,000 (987,000), Vancouver-New Westminster 216,666 (1,249,773).

Bank Debits to Individual Accounts

Financial transfers in the form of bank debits registered a recession of 1.3 p.c. in February from the same month last year and after seasonal adjustment, a decline of nearly 9 p.c. from the previous month. The index stood at 121.9 compared with 123.6 in January and 123.6 in February last year. The grand total was \$2,731,934,437 against \$3,227,354,600 in the previous month and \$2,767,449,324 a year ago. The totals follow by economic areas, with those for last year in brackets: Maritime Provinces \$45,315,762 (\$43,826,951), Quebec \$881,645,303 (\$865,790,309), Ontario \$1,312,797,280 (\$1,258,232,826), Prairie Provinces \$313,731,367 (\$427,832,564), British Columbia \$178,444,725 (\$171,768,673).

Reports Issued during the Week

1. Registrations of Births, Deaths and Marriages, February.
 2. Employment Situation, March.
 3. Security Prices and Foreign Exchange.
 4. Changes in the Value of Country General Store Sales, February.
 5. Exports of Canadian Lumber, February.
 6. Imports of Lumber, February.
 7. Imports and Exports of Pipes, Tubes and Fittings, February.
 8. Exports of Farm Implements and Machinery, February.
 9. Imports of Paints and Varnishes, February.
 10. Imports and Exports of Hides and Skins, February.
 11. Exports of Non-Ferrous Ores and Smelter Products, February.
 12. Imports of Non-Ferrous Ores and Smelter Products, February.
 13. Operating Revenues, Expenses and Statistics of Railways, 1936.
 14. Operating Revenues, Expenses and Statistics of Railways, December.
 15. The Cotton Textile Industries, 1935.
 16. Coal and Coke Statistics, February.
 17. Imports of Vehicles of Iron, February.
 18. The Asbestos Trade of Canada, February.
 19. Exports of Meats, Lard and Sausage Casings, February.
 20. Imports of Milk and Its Products and Eggs, February.
 21. Weekly Index Numbers of Wholesale Prices.
 22. Production and Sales of Radio Receiving Sets, 1936.
 23. Bank Debits to Individual Accounts, February.
 24. Wood-Using Industries, 1935.
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