

Dominion Bureau of Statistics

Department of Trade and Commerce

Vol. V - No. 15.

Ottawa, Saturday, April 10, 1937.

Price \$1.00 per year

The Economic Index was practically maintained at 113.8 in the week of April 3, contrasting with a gain of 7.6 p.c. over the same week of 1936

The economic index, owing to the decline in bank clearings and speculative trading failed to show an advance over the level of the week of March 27. Four of the six major factors recorded advances, but the gains were of moderate proportions. After adjustment, carloadings showed a gain of 4.3 p.c. exerting the main influence toward the maintenance of the economic index. The advance in wholesale prices continued, being influenced by marked gains in grain. The bond market recovered slightly in the week under review. The stock market rallied following the decline of 2 weeks, the index recording a gain of 0.8 p.c. The adjusted index of bank clearings declined 5 p.c. and a considerable decline was shown in the number of shares traded on the principal stock exchanges.

The comparison with the same week of 1936 continued favourable in the week ended April 3. Five of the six major factors showed increases in this comparison, the net result being an advance of 7.6 p.c. The index of capitalized bond yields was the only factor to show a decline. The drop from the relatively high level of last year was 4.8 p.c. The business factors recorded marked gains over the week of April 4, 1936, the indexes of carloadings and wholesale prices having been up 15.2 p.c., and 20.5 p.c., respectively. The greatest increases in this connection, however, were shown by the speculative factors including common stock prices and trading on the stock exchanges. The index of common stock prices was 144.4 in the week of April 1st, against 118.8 in the same week a year ago, the indicated gain being 21.5 p.c.

The railway freight movement has shown a consistent lead over the first twelve weeks of 1936. The total movement in the elapsed portion of the present year was 560,541 cars, a gain of 60,332 cars over last year. A notable gain was shown in the movement of miscellaneous commodities consisting mainly of manufactured products, the lead over the same period of 1936 being 34,411 cars. The movement of local merchandise was also heavy recording a gain of 8,521 cars. Important gains have been shown in ore and forestry products contrasting with the declines in grain, coal and coke.

The advance in wholesale prices continued in the week under review, the index moving up from 86.3 to 86.9. No. 1 Northern wheat averaged 147  $\frac{5}{8}$  against 143 in the preceding week. Marked gains were also recorded in coarse grains, oats and barley averaging about 3 cents per bushel higher. Rye No. 2 C.W. advanced from 109  $\frac{1}{4}$  to 116  $\frac{1}{2}$ . Lead and tin showed declines on the New York metal market, while copper and zinc were unchanged. The domestic price of copper in New York declined on April 6 from 17 cents to 16. The advance in cotton middlings and sheeting continued at New York. Rubber smoked sheets averaged 26  $\frac{1}{2}$  cents against 26  $\frac{1}{4}$ . Live stock prices advanced on the Toronto stockyards, bacon hogs attaining the highest position for seven months.

High-grade bond prices showed an advance in the week of April 1 contrasting with the downward trend previously in evidence since the first of the year. Conversions moved up  $\frac{1}{4}$  point and perpetuials, which have proven sensitive, finished  $\frac{1}{2}$  point higher. Common stock prices showed a moderate gain in the week of April 1, the index on the base of 1926 standing at 144.4. Each of the industrial groups, except milling and beverages, recorded increases in this comparison. Transportation stocks were slightly higher while declines were shown in power, telephone and telegraph. Base metal stocks showed appreciation, while the index of gold stocks declined slightly more than one point.

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>	Common Stocks	Shares Traded	Economic Index <sup>4</sup>
April 4, 1936	73.4	72.1	143.5	100.1	118.8	154.3	105.8
March 27, 1937	81.1	86.3	135.7	123.0	143.2	286.8	113.9
April 3, 1937	84.5	86.9	136.6	117.1	144.4	207.2	113.8

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.

Improved outlook in the paper industry

The pulp and paper industry is of prime importance in Canadian economy. In the number of employees and distribution of wages and salaries it is our leading manufacturing industry.

In the accompanying chart it can be clearly seen that in production, the ground lost during the depression has been regained and the industry needs only fair prices to make its operations really profitable to its owners and more efficacious in promoting a greater measure of prosperity for its employees.

Canada is the world's No. 1 producer and exporter of newsprint, supplying an average of over a third of the world's yearly requirements. About 92 p.c. of our annual production is exported, with the United States consuming the bulk of this supply. The United Kingdom and Australia are important customers. Of the total value of exported newsprint about 11 p.c. normally goes to the Empire and the remaining 89 p.c. to foreign countries.

Production of newsprint during the last two years as illustrated in the chart has surpassed the high level of 1929, reaching an estimated 3,191,000 tons in 1936, an advance of nearly 16 p.c. over 1935 and a new high point in the history of the industry. This figure represents a gain of 70 p.c. over the depression low point of 1932. Demand is very active and some difficulty has been experienced in filling current orders. Prices which began their precipitous decline in 1928, continued downward until 1935, since when a gradual upward trend has been in evidence.

Wood-pulp exports have not yet regained the high levels of 1928 and 1929, but this is due rather to the absorption of wood-pulp supplies by Canadian mills rather than the loss of foreign markets. In 1928, Canada dropped from second to third place among the world's exporters of wood-pulp, surpassed by Sweden and Norway. In 1929, Canada dropped to fourth place giving way to Finland and has since remained in that position. Canada enjoys about 10 p.c. of the world export trade of wood-pulp.

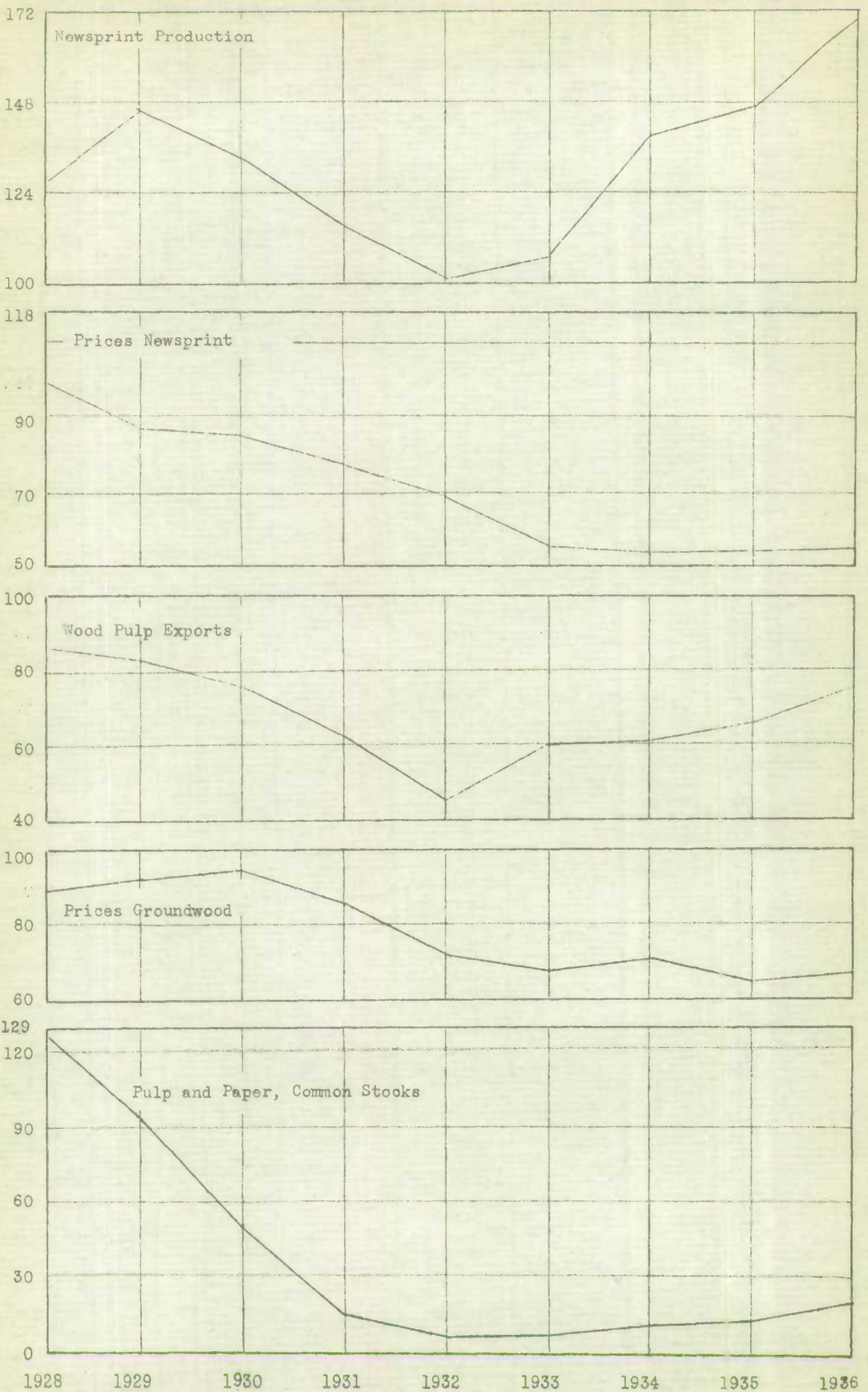
The index of the six leading pulp and paper stocks reflects the public's appreciation of the earning possibilities of the industry. The unprecedented drop in this index from the high point of an average of 126.9 in 1928 to 7.3 in 1932, was greater by far than that suffered by the common stocks of any other group of the official classification. Recent movements indicate a decided revival of optimistic interest and the index stood at 45.1 in the week of April 1 against 20.6, the average for the year 1936.

Index Numbers, 1926=100

Year	Newsprint		Exports of		Common Stocks
	Production	Prices	Wood Pulp	Prices No. 1 Groundwood	
1919	43.1	104.8	76.6	108.0	64.9
1920	47.2	151.9	81.6	358.7	99.7
1921	42.3	155.1	52.5	144.3	69.6
1922	57.8	108.1	80.0	92.9	75.5
1923	67.4	113.9	86.9	134.5	80.1
1924	72.1	111.5	77.6	107.0	74.3
1925	80.9	106.3	94.7	97.4	73.6
1926	100.0	100.0	100.0	100.0	100.0
1927	110.8	100.1	84.6	93.7	109.1
1928	126.9	98.1	86.4	89.4	126.9
1929	145.1	86.5	83.7	92.2	95.0
1930	132.9	85.3	76.4	94.3	50.9
1931	116.0	77.7	62.5	86.0	15.5
1932	101.5	68.2	45.2	72.6	7.3
1933	106.8	55.3	60.1	68.8	7.5
1934	138.2	54.0	60.8	71.0	11.7
1935	146.5	54.0	65.9	65.2	12.5
1936	169.2	55.4	74.8	67.7	20.6

Index  
Numbers

(1926 = 100)



### World Shipments of Wheat

World shipments of wheat during the first thirty-five weeks of the crop year amounted to 422,000,000 bushels as compared with 342,000,000 for the corresponding period last year. North American shipments aggregated 156,000,000 bushels against 141,000,000 in 1935-36, and Argentine shipments 123,000,000 against 55,000,000 bushels.

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### Foreign Grains in Store

Stocks of foreign grains in Canada on April 2 included the following, with corresponding figures for 1936 in brackets: Argentine corn 3,064,977 (90,136) bushels, South African corn 782,838 (1,234,377), Danish barley 27,825 (nil).

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### Production of Leather Footwear

There were 1,929,500 pairs of leather footwear made in Canada during February, an increase of 447,483 pairs over the preceding month and 94,260 over the corresponding month last year. The February production this year establishes a high record for the month in the period for which statistics are available, from 1926 onwards. For the first two months of the year production totalled 3,411,517 pairs compared with 3,349,199 in the same period last year.

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### Asbestos Production

Canadian producers reported shipments of asbestos amounting to 22,454 tons in January compared with 21,485 in the preceding month and 17,016 in January, 1936. Customs' records show that 19,584 tons of asbestos were exported during the month, with the United States receiving approximately 90 per cent. Imports were valued at \$81,094.

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### Production of Gypsum

Gypsum production in Canada during January was recorded at 8,473 tons compared with 59,303 in the preceding month and 4,887 tons in the same month last year. Exports of crude gypsum amounted to 52,100 tons against 85,370 in December and 13,100 in January, 1936. The imports during the month were small.

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### February Imports of Paper

Imports of paper of all kinds in February were valued at \$529,337 compared with \$522,997 a year ago. The amount from the United Kingdom was \$84,217 and from the United States \$391,536. Large items included: paper card \$11,984, wall board \$19,721, pulp board \$24,374, book and litho paper \$14,888, cigarette paper \$39,754, wall paper \$34,873, tissue paper \$13,792, containers \$38,734, papetries \$82,578.

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### Weekly Index Numbers of Wholesale Prices

The Dominion Bureau of Statistics index number of wholesale prices, on the base 1926=100, increased from 86.3 for the week ending March 26 to 86.9 for the week ending April 2. Advances were made by Vegetable Products, Animal Products and Textiles, and reductions occurred in Iron and Non-Ferrous Metals. In the early part of the week grains were active at Winnipeg and, on Monday, May wheat rose to within 1/8 of \$1.50 per bushel, the highest it had been since November 1929. Increasing exports to the United States, together with post-lenten demand, contributed largely to strength in the livestock section. Losses among the non-ferrous metals were common.

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### Living Animals Imported

Living animals were imported to the value of \$13,754 in February compared with \$22,428 in the previous month and \$12,848 in the same month of 1936. The United States supplied to the value of \$7,415. Animals for the improvement of stock accounted for \$7,176.

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### Value of Wholesale Trade in February

The value of wholesale sales in Canada increased 12.5 per cent in February in comparison with the same month last year, according to reports submitted by almost 200 wholesale houses operating in nine different lines of trade. Improvement was recorded for every month of 1936 over the same month of 1935 and also for January, 1937, over January, 1936. The Maritime Provinces reported the largest gain in February with 17.2 per cent, followed by the Prairie Provinces with 13.4, Quebec 13.3, Ontario 11.5 and British Columbia 10.1 per cent.

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### Value of Retail Sales

The dollar value of Canadian retail sales for February was 3.1 per cent above February, 1936, and 2.2 per cent below January this year. On the basis of the average of 1930 as 100, the unadjusted general index number was 62.7 for February, 60.8 for February last year and 64.1 for January, 1937. When corrections for differences in the number of business days and for normal seasonal variations were made the index number was 76.8 for February, 75.3 for January, 81.7 for December and 76.5 for November.

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### Commercial Failures

Commercial failures in Canada during 1936 were at a lower level than in any year in the period of observation from 1922 to the present. The number was 1,198 with liabilities of \$15,144,945 compared with 1,314 with liabilities of \$17,567,002 in 1935. Three well-defined trends have been shown since 1922. In that year failures were heavy at 3,925. A decline was shown until 1926, when the number of business fatalities was 1,773. The trend was reversed from that year to 1932, when the total was 2,420, with progressive declines during the past four years.

Commercial failures in trading establishments in 1936 numbered 536 as compared with 694 in 1935 and 799 in 1934. In manufactures, there were 191 failures against 180 in 1935 and 217 in 1934. Failures of agriculturists numbered 123 and may be compared with 173 in 1935 and 82 in 1934.

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### Milling in February

Grains ground during the month of February were as follows, with comparative figures for last year in brackets: Wheat 4,515,114 (4,614,569) bushels, oats 800,126 (933,981), corn 245,463 (214,960), barley 71,114 (87,505), buckwheat 8,100 (7,186), and mixed grains 1,329,683 (1,688,912). Flour production during the month totalled 999,694 barrels compared with 1,019,017 a year ago.

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### Vegetables

The import of fresh vegetables was valued at \$483,757 in February, compared with \$375,219 in the previous month and \$386,049 in the corresponding month last year. The United States was the chief source with \$393,938. Exports of vegetables were worth \$152,158 against \$169,307 in January and \$113,460 in February, 1936. The value of the export to the United States was \$123,520.

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### Fertilizers

Fertilizers were imported to the value of \$39,302 in February as compared with \$177,149 in the preceding month and \$74,290 a year ago. The United States led with \$34,595. Exports were considerably higher, the value being \$704,184, compared with \$442,998 in the previous month and \$418,675 in the same month last year. The United States took \$633,930. The main items of export were cyanamid at \$498,875 and ammonium sulphate \$60,681.

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### Vegetable Oils

Vegetable oil imports were valued at \$1,354,964 in February, considerably higher than both the preceding month and the same month last year when the totals were \$703,633 and \$978,303, respectively. The amount from the United Kingdom was \$520,801 and from the United States \$372,126. Total exports of vegetable oils were \$30,102 compared with \$24,546 in the month previous and \$23,174 last year.

### Sugar Imports

The bulk of Canada's imported raw sugar came from British Empire countries in February. The total was considerably lower than in the corresponding month last year, amounting to 26,170,400 pounds valued at \$448,206 against 39,292,700 at \$674,653. Fiji was the leading source with 9,949,500 pounds, followed by British Guiana with 6,974,900, Australia 4,821,200, Jamaica 4,152,500, Peru 200,000 and Barbados 72,300. The United States supplied 520,600 pounds of refined sugar out of a total of 521,600. Refined sugar imports in the same month last year were 301,700 pounds.

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### Australian Trade with Japan

Australian imports from Japan during the fiscal year ending June 30, 1936, were valued at £4,969,571 compared with £4,624,740 in the fiscal year 1935. Exports from Australia to Japan amounted to £14,100,784 compared with £9,657,097. The export totals given are estimated in British currency values. Imports are also in pounds sterling.

During the six months ending December 31, 1936, the Australian imports from Japan amounted to £2,504,616 compared with £2,679,083 in the same period of 1935 while the exports were, in pounds sterling, £430,064 compared with £6,434,199.

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### Cost of Living

The general cost of living for Canada was unchanged at 81.8 for March. Slightly reduced prices for meats, eggs and butter were more than offset by advances for potatoes, sugar, bread and flour, resulting in an increase in the food index from 75.6 to 75.7. The sharp upward movement recorded by wholesale food prices during the past few months was only partially reflected in retail prices. Advances in women's ready-to-wear garments caused a moderate upward movement in clothing prices. Furniture prices were definitely higher.

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### Imports of Farm Implements

February imports of farm implements and machinery were valued at \$928,815 compared with \$713,203 in the month preceding and \$464,046 in the corresponding month last year. The United States supplied to the value of \$892,520. Internal combustion traction engines accounted for approximately half of the total February import, amounting to \$491,025 against \$160,681 last year.

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### Petroleum

Crude petroleum imports in February aggregated 52,536,600 gallons valued at \$1,702,970 compared with 39,663,986 at \$1,186,032 a year ago. The chief supply came from the United States, amounting to 46,420,383 valued at \$1,519,728, followed by Colombia with 3,021,547 gallons at \$84,713 and Peru 3,094,570 at \$98,529. Fuel oil for ships stores amounted to 1,618,238 gallons valued at \$43,951 against 2,318,620 at \$71,775. Fuel oil exports amounted to 78,623 gallons at \$4,443 against 183,362 gallons at \$4,547.

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### Fresh Fruit

Imported fresh fruits were valued at \$1,098,000 in February as compared with \$906,300 in January and \$846,000 in February last year. The amount from the United States was worth \$870,000, from the British West Indies \$80,840, mainly Jamaica, and Italy \$44,252. There were \$80,700 worth of bananas, \$112,370 of grapefruit, \$143,615 of lemons, and oranges, mandarines and tangerines \$713,673.

Exported fruits were worth \$365,000 against \$997,300 in the previous month and \$569,100 in the same month last year, of which \$241,760 went to the United Kingdom, Germany \$72,957, Belgium \$20,823 and the Netherlands \$15,711. The export of apples amounted to 106,426 barrels of the value of \$365,211 compared with 270,057 at \$997,186 in the month previous and 142,722 at \$560,917 a year ago.

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### Tea and Coffee

Tea imports amounted to 2,651,321 pounds valued at \$618,153 in February against 3,091,802 pounds at \$697,478 in the same month last year. Tea of India led with 1,559,384 pounds, followed by Ceylon tea at 813,553, tea of Japan 127,338, and of China 37,864. Green coffee imports totalled 3,172,037 pounds at \$318,549 against 3,678,810 at \$309,671, of which 778,140 pounds came from Colombia, 508,434 from Brazil, 851,800 from British East Africa, 424,228 from Jamaica, 159,020 from Trinidad and Tobago and 90,807 from Costa Rica.

### Footwear Trade

Footwear was imported to the value of \$69,411 in February as compared with \$33,746 in the previous month and \$70,301 in February, 1936. The United States was the chief purchaser at \$40,818, followed by the United Kingdom with \$21,692. Canadian-made leather footwear was exported to the value of \$42,581 against \$47,298 and \$30,493, the United Kingdom purchasing to the extent of \$25,821, New Zealand \$5,090, Jamaica \$4,134 and Australia \$4,106.

### Imported Meats

Imported meats recorded a sharp decline in February in comparison with both the preceding month and the corresponding month last year. The total was \$9,264 against \$36,751 in January and \$96,875 in February, 1936. The decline was accounted for by decreased imports of canned beef, extracts of meats and fluid beef, and barrelled pork in brine.

### Rubber Trade

February imports of rubber were lower than in the previous month but were higher than in the corresponding month last year. The import in the latest month was worth \$806,791 against \$956,727 in January and \$745,244 a year ago. There were 2,846,235 pounds of raw rubber valued at \$557,769 compared with 4,256,276 at \$549,537 in the same month last year, of which 2,301,602 came from the Straits Settlements, 358,645 from the United States and 113,840 from Ceylon.

The export of rubber at \$1,035,234 was slightly lower than in the previous month and the same month a year ago. Pneumatic tire casings were valued at \$580,222, going to 68 markets, mainly as follows: Sweden \$101,819, Brazil \$59,685, British South Africa \$38,653, New Zealand \$36,273, Venezuela \$35,938, Colombia \$34,375, Morocco \$27,499, Straits Settlements \$25,019 and Portugal \$21,608.

Rubber boots and shoes were exported to the value of \$172,557. The United Kingdom took these products to the value of \$99,163, New Zealand \$37,796 and Newfoundland \$18,355. Canvas shoes with rubber soles were sent abroad to the value of \$65,265 against \$67,031 in the previous month and \$157,555 a year ago.

### Wheat Stocks and Movement

Canadian wheat in store on April 3 amounted to 82,365,779 bushels compared with the revised figure of 83,780,624 in the previous week and 204,435,080 on the same date last year. Stocks of Canadian wheat in the United States were 14,155,802 bushels compared with 14,728,901 a week ago and 15,500,134 in 1936. Wheat in transit by rail amounted to 4,591,534 bushels.

Wheat marketings in the Prairie Provinces for the week ending March 26 amounted to 1,386,966 bushels compared with 1,422,401 in the previous week and 1,746,117 in the same week last year. Total marketings from August 1 to March 26 were 149,438,884 bushels against 192,764,197 in the same period of last year.

Overseas export clearances of wheat during the week of April 2 amounted to 1,333,732 bushels against 2,608,705 in the same week last year and 1,180,873 bushels in the previous week. Imports of Canadian wheat into the United States for consumption and milling in bond for re-export in the latest week were 432,000 bushels against 573,000 a year ago and 295,000 a week ago. Clearances from August 1 to April 2 aggregated 106,406,950 bushels against 101,484,715 in the same period last year, while imports into the United States were 35,625,074 bushels compared with 34,926,709.

Reports Issued During the Week Ending April 8

1. Gypsum Production, January.
  2. Asbestos Production, January.
  3. Production of Leather Footwear, February.
  4. Canadian Grain Statistics.
  5. Car Loadings on Canadian Railways.
  6. Miscellaneous Leather Goods, Leather Belting and Boot and Shoe Findings, 1935.
  7. Imports and Exports of Fresh Vegetables, February.
  8. Imports and Exports of Fertilizers, February.
  9. Imports and Exports of Vegetable Oils, February.
  10. Imports and Exports of Soap, February.
  11. Imports and Exports of Toilet Preparations, February.
  12. Imports and Exports of Wire, February.
  13. Butter, Cheese and Eggs in Cold Storage.
  14. Coffee, Tea, Spice and Miscellaneous Food Industries, 1935.
  15. Imports of Paper, February.
  16. Price Movements, March (Preliminary).
  17. Commercial Failures, 1936.
  18. Changes in the Value of Retail Sales, February.
  19. Changes in the Value of Wholesale Trade, February.
  20. Preliminary Report on the Pack of Canned Fruits and Vegetables, 1936.
  21. Security Prices and Foreign Exchange.
  22. Weekly Index Numbers of Wholesale Prices.
  23. Sugar Report for the four Weeks, March 6 to 27, 1937.
  24. Imports and Exports of Fresh Fruits, February.
  25. Imports of Coffee and Tea, February.
  26. Imports of Stoves, Sheet Metal Products and Refrigerators, February.
  27. The Footwear Trade, February.
  28. Imports of Meats, Lard and Sausage Casings, February.
  29. Imports of Living Animals, February.
  30. Imports of Meats, Lard and Sausage Casings, February.
  31. Imports of Living Animals, February.
  32. Exports of Paints and Varnishes, February.
  33. Imports of Rubber, February.
  34. Exports of Rubber and Insulated Wire and Cable, February.
  35. Imports of Farm Implements and Machinery, February.
  36. Imports of Petroleum and Its Products, February.
  37. Exports of Petroleum and Its Products, February.
  38. Imports and Exports of Canned and Preserved Fruits, February.
  39. Imports and Exports of Pickles and Preserved Vegetables, February.
  40. Monthly Review of Business Statistics, March.
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