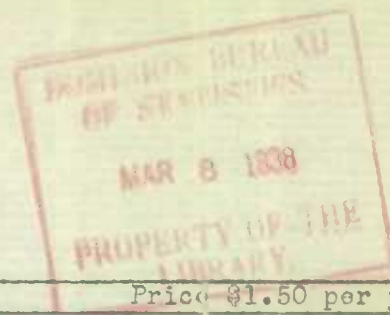


## WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce



Vol. VI - No. 16.

Ottawa, Saturday, April 17, 1937.

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Economic Index rose 0.4 p.c. over the Preceding Week and 6.4 p.c. over the Same Week of 1936

Due to gains in two out of six major factors, the economic index advanced from 113.8 to 114.2 in the week of April 10. Carloadings and speculative trading recorded increases over the week of April 3, while the other significant factors used in this connection registered reaction. The railway freight movement was particularly heavy in the week under review, in continuance of the upward trend of the preceding three weeks. Wholesale prices reacted moderately from the high point of the preceding week. Reaction was shown in high-grade bond prices, but quotations remained relatively steady. Reversing the trend of the preceding week, common stock prices showed marked reaction, the general index receding slightly more than 2 p.c. Speculative trading on the two principal stock exchanges was much greater.

Despite the downward trend since January, the economic index still maintains a considerable lead over the corresponding weeks of 1936. The standing in the week of April 10 was 114.2 against 107.3 in the same week of last year, a gain of 6.4 p.c. Each of the six major factors, except capitalized bond yields, recorded important gains in this comparison. Carloadings which have recently shown a marked gain, were 13.8 p.c. greater than in the same week of 12 months ago. The most significant development in the movements of the six factors was the marked gain of 20.4 p.c. in the index of wholesale prices. The advance in commodity prices during the last half of 1936 was continued during the elapsed portion of the present year, a moderate reaction being shown in the week under review. The index on the base of 1926 equalling 100 was 86.7 against 72.0 in the week of April 10 last year. While subject to considerable fluctuation, common stock prices have continued to show a marked lead over the levels of the first part of 1936. The gain in the week under review was 16.8 p.c. Each of the groups in the official classification, except oils, showed a gain in this comparison. Considerable increases were shown in the index of bank clearings and shares traded.

The index of carloadings showed a gain of one p.c. over the preceding week. The freight movement during the first 13 weeks of the year was 610,688 cars, a gain of about 12 p.c. over the same period of last year. A marked gain was shown in the movement of miscellaneous commodities consisting mainly of manufactured goods. The excess amounted to 37,342 cars. Deficits were shown in the movement of grain, coke and coal. The index of wholesale prices showed a decline of 0.2 p.c. from the preceding week. Grain prices were uneven, a gain having been shown in oats, while other coarse grains recorded reaction. The price of No. 1 Northern wheat averaged the same at 147 5/8. Livestock prices on the Toronto stockyards showed some reaction. Declines were fairly general in base metals on the New York market. The price of electrolytic copper was reduced to 15 1/2 cents against 17 cents, at the beginning of the preceding week. Lead receded from 6.98 to 6.03 while zinc was off from 7.50 to 7.00. Silver bars were higher at 46 1/8 against 45 1/4. The reaction in commodity prices in New York was extended to rubber, cotton-seed oil and raw cotton.

Base metal prices on the London exchange, of interest to Canadian shippers, rallied on April 13, from the relatively low point of the preceding day. The price of zinc advanced from £25 12s 6d to £25 18s. The price of electrolytic copper was £68 10s against a bid price of £68 on the preceding day.

High grade bonds which had shown reaction during the first quarter, are now recording a certain amount of steadiness. The 1947-57 4 1/2 percents were bid at 106 3/4 on April 12, unchanged from the first day of the month. The 1950-55 3 percents were 95 against 95 3/8. The adjusted index of bank clearings declined slightly more than three p.c. from the preceding week, while a marked gain was shown in the number of shares traded on the Montreal and Toronto stock exchanges.

The index of the prices of 96 common stocks receded from 144.4 in the week of April 1st to 141.3 in the week of April 8. Each of the groups of the official classification except pulp and paper, food and building materials, showed reaction. The index of 15 power and traction stocks receded from 90.8 to 90.0. The indexes of gold stocks and base metals traded on the mining exchanges showed considerable weakness.



Weekly Economic Index with the Six Components  
1926=100

Week Ended	Car load-ings <sup>1</sup>	Whole-sale Prices	Inverted Index of Bond Yields <sup>2</sup>	Bank Clear-ings <sup>3</sup>	Common Stocks	Shares Traded	Economic Index <sup>4</sup>
April 11, 1936	75.0	72.0	143.5	103.0	121.0	252.8	107.3
April 3, 1937	84.5	86.9	136.6	117.0	144.4	207.2	113.8
April 10, 1937	85.4	86.7	135.5	113.4	141.3	491.5	114.2

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.

Notable Progress in the Iron and Steel Industry in the last Three Years

During the past six months, the spotlight of public attention has been focused on the iron and steel industry. Much of the colossal expenditure on armaments contemplated by the major nations of the world will naturally flow into this primary industry. The increased domestic demand in those nations, many of whom are normally exporters, precludes any immediate possibility of their entering the Canadian market in serious competition with our domestic producers. Far from any immediate foreign competition affecting the industry, a brisk demand for Canadian iron and steel has developed in Great Britain. This export should be of particular value to the Maritime steel industry which had been operating at low levels for some years past.

The latest figures show that there are 38 firms actively engaged in the primary iron and steel industry in Canada with a working force of some 10,000 men. It was estimated that only 42 p.c. of the rated capacity in this group was utilized in Canada during 1935, and although this percentage was increased to over 50 p.c. in 1936, there is room for considerable expansion.

A study of the indexes in the accompanying table and chart will indicate that the production of steel ingots and castings is the highest on record since 1929 and nearly four times as great as the average for the year 1932, the recent low point. This is a remarkable advance when we consider that only a small percentage of this gain may be attributed to the construction industry which is still far from the levels of 1929. The step up in the production of pig iron has been much greater, the index on the 1926 base moving up from 19.9 in 1932 to 100.5 for the first two months of 1937. Production was actually suspended for three months in the spring of 1933, the present level of operations being a cause of satisfaction.

The improvement in employment in the iron and steel group has not kept pace with the spectacular gains in production, the employment index having moved up from 61.1 in 1933 to 89.2 in 1936 and 97.0 for the first two months of 1937. Most of the labor force engaged in this industry are skilled and are retained if at all possible even in periods of low production.

Imports of iron and steel show distinct correlation with activity in the automobile industry and the index of volume has moved up from 32.0 in 1933 to 88.3 in the first two months of 1937, while the average for the year 1936 stood at 71.4. The progress measured by the index of imports of iron and steel is considerable, but is just over 50 p.c. of the volume brought in during 1929. This is due in part to a greater use of domestic products.

The price of iron and steel had been steadily downward for 13 years from 1920 to 1933, the index falling from 168.4 in 1920 to 85.4 in 1933. Improved efficiency in the industry had some effect on prices but the group followed the general trend of prices. In 1934 this decline was arrested, and prices subsequently moved up slowly to an average of 88.0 in 1936. A much more rapid advance, in sympathy with world prices, has been noted in the first two months of the present year.



Common stock prices of the iron and steel group dropped from a high of 275.3 in 1929 to a low of 63.3 in 1932, a decline of over 77 p.c. Since that time the index has more than doubled, standing at an average of 139.2 in 1936.

The Iron and Steel Industry in Canada

	1926=100					
	Production of steel ingots and castings	Production of pig iron	Employment in iron and steel products	Imports of the volume of iron and steel	Price of iron and steel	Common Stock Prices of iron and steel
1928	160.1	141.3	112.6	156.9	93.2	186.1
1929	178.1	148.7	125.2	164.3	93.7	275.3
1930	128.6	101.2	108.1	111.1	91.1	171.8
1931	85.2	63.0	85.9	59.9	87.4	97.7
1932	44.2	19.9	67.3	35.4	86.3	63.3
1933	54.2	32.2	61.1	32.0	85.4	94.2
1934	98.0	55.6	71.5	49.0	87.0	123.9
1935	122.5	82.2	82.7	59.1	87.2	122.6
1936	172.7	93.0	89.2	71.4	88.0	139.2
1937*	172.0	100.5	97.0	88.3	93.4	x

\*Average for two months X Classification changed.

Sales and Purchases of Securities

The unusually large volume attained in Canada's international trade in securities in January was continued throughout February, the total being \$125,374,460 as against \$124,200,335 in the preceding month. There was a balance of sales of about \$13,000,000 as contrasted with a balance of purchases of over \$5,000,000 in the previous month. Total sales were valued at \$69,162,591, an increase of \$10,013,609, while purchases at \$56,211,869 were \$8,839,484 lower.

The trade in securities between Canada and the United States aggregated \$94,960,769 compared with \$97,620,219, the decline being due to lower purchases. Sales to the United States were worth \$49,310,107 in February against \$42,881,080 in the previous month, while purchases amounted to \$45,650,662 against \$54,739,139.

The trade with the United Kingdom totalled \$25,858,381 as compared with \$21,767,726, both sales and purchases being at higher levels. Purchases increased from \$8,783,183 in January to \$9,347,580, while sales were \$16,510,801 against \$12,984,542.

Wheat Stocks and Movement

Stocks of Canadian wheat on April 10 amounted to 80,777,022 bushels against 82,365,779 the week before and 200,588,005 on the same date last year. Canadian wheat in the United States totalled 13,529,968 bushels compared with 14,149,802 a week ago and 13,694,060 in 1936. Wheat in transit by rail amounted to 4,604,142 bushels.

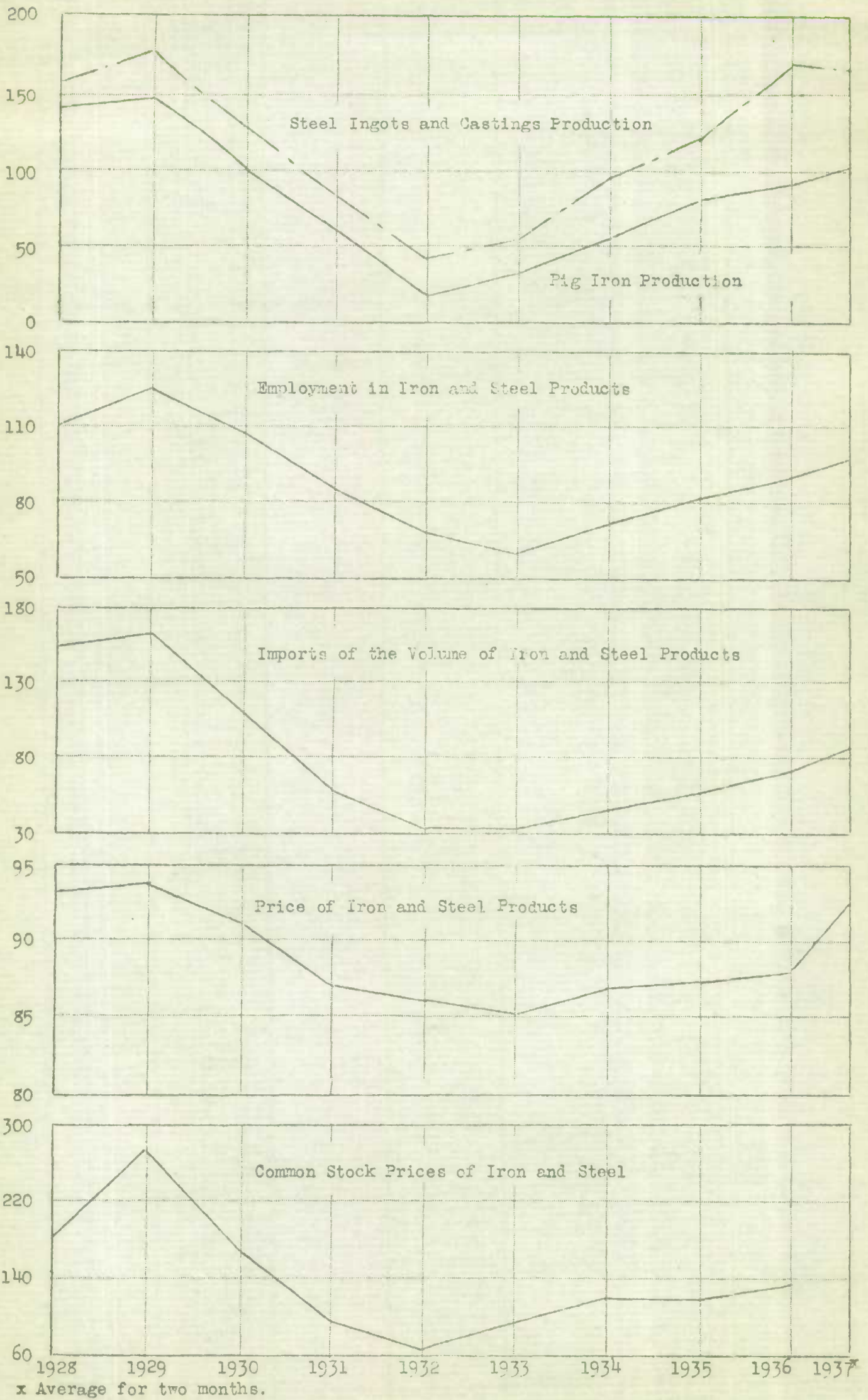
Wheat marketings in the Prairie Provinces for the week ending April 2 totalled 1,327,371 bushels against 1,386,966 in the previous week and 1,205,849 in the corresponding week last year. Total marketings from August 1 to April 2 were 150,766,255 bushels against 193,970,046 in the same period of the previous crop year.

Overseas export clearances during the week of April 9 amounted to 1,175,107 bushels compared with 1,333,732 in the previous week and 1,827,876 in the corresponding week last year. Imports of Canadian wheat into the United States for consumption and milling in bond for re-export totalled 476,000 bushels against 432,000 the week before and 458,000 a year ago. Total clearances from August 1 to April 9 were 107,582,057 bushels against 103,312,591 in the corresponding period of the previous crop year. Imports into the United States in the same periods aggregated 36,101,074 bushels and 36,467,599 respectively.

Railways in January

Gross revenues of Canadian railways showed an increase of \$2,906,628 in January over the same month last year, amounting to \$25,140,441 against \$22,233,812. Operating expenses amounted to \$22,890,060 against \$21,436,920, while the operating income increased from a debit of \$204,687 to a credit of \$1,145,816, or by \$1,350,503. Freight traffic totalled \$19,287,800 as against \$16,733,384, passenger traffic \$2,845,664 compared with \$2,788,614. The total pay roll increased from \$14,037,393 to \$14,048,062, although the average number of employees decreased from 120,899 to 117,633.

THE STEEL INDUSTRY IN CANADA  
1926 = 100





## Manufacturing Industries

The downward trend in manufacturing operations which began in the fall of 1929 continued with increasing force to about the middle of 1933. The first pronounced increase was reported for the month of June, and thereafter, each succeeding month recorded a slight gain over that of the preceding month. The gains in the latter part of the year were not sufficiently pronounced to overcome the losses of the beginning of the year. As a result, the output of manufactured products in 1933 was valued at \$2,086,847,847, the lowest level reached during the depression. This was a decrease of 48.2 p.c. as compared with the peak year 1929. In 1935 the value of production amounted to \$2,807,337,381, an increase of 10.8 p.c. over the previous year but still 30 p.c. below the 1929 level.

The number of persons employed fell from 694,434 in 1929 to 493,903 in 1933 a drop of 28.9 p.c. In 1935, however, the number of employees rose to 582,874 an increase of 6.9 p.c. from the 1934 totals. In spite of this increase the employees in 1935 still remained 16 p.c. below 1929. The decline in salary and wage payments exceeded even that of the number of employees, the drop between 1929 and 1933 being \$347,487,752 or 42.7 p.c. In 1935 the increase in salary and wage payments amounted to \$56,638,612. Average earnings per employee which in 1933 amounted to \$942 represents a decrease of 19.6 p.c. from the average of \$1,171 in 1929. The 1935 average was \$1,013.

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## Food in Cold Storage

Cold storage stocks of dairy and poultry products were lower on April 1 than in the previous month, but in all cases were higher than on the same date last year. Stocks of creamery butter amounted to 8,891,136 pounds against 8,797,312 last year; cheese, 18,263,685 compared with 16,748,107; concentrated milk products, 7,321,924 pounds against 7,015,610; cold storage eggs, 459,809 dozen against 63,132; fresh eggs, 683,969 dozen against 342,201; frozen eggs, 2,448,883 pounds compared with 1,234,497. Poultry stocks totalled 10,766,732 pounds against 8,812,214 on the same date of last year.

Stocks of meat in cold storage on April 1 follow, with corresponding figures for 1936 in brackets: Pork, 54,954,774 (36,981,589) pounds; lard, 2,337,313 (2,912,686); beef, 15,742,976 (16,659,075); veal, 2,089,793 (1,488,049); mutton and lamb, 4,516,679 (2,822,427). Stocks of fresh or frozen fish totalled 14,251,137 pounds compared with 11,063,472 a year ago; salmon, 1,328,296 (3,417,617) pounds; sea herring, 1,891,450 (2,000,252); halibut, 1,519,613 (963,528); cod, 1,805,384 (838,237); white fish, 737,721 (472,221); tulibeas, 697,599 (465,820); pickerel, 453,421 (197,517); haddock, 484,186 (165,857); smolts, 107,888 (91,676); mackerel, 137,008 (45,582); lake herring and bluefins, 38,026 (41,273); trout, 127,965 (38,037). Stocks of smoked, dried, pickled or salted fish amounted to 3,872,088 pounds against 3,361,754 a year ago.

Apples held in cold storage establishments and in sales warehouses at April 1 amounted to 25,597 barrels, 98,672 boxes, 38,560 hampers, 6,201 bushels and 6,526 crates. In comparison with holdings on the same date last year, these figures show decreases of about 200 barrels, 118,000 boxes and 34,000 hampers, and increases of approximately four thousand crates.

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## Exports of Wheat and Flour

Canada's export of wheat during the fiscal year ending March amounted to 227,996,513 bushels valued at \$223,461,009 compared with 179,124,180 bushels at \$148,576,975 during the fiscal year 1935-36, the increase in bushels being 48,872,333 and in value \$74,884,034. The March export was 4,748,599 bushels at \$6,329,472 compared with 13,146,185 bushels at \$10,239,350 a year ago.

The export of wheat flour during the fiscal year just closed was 4,771,007 barrels at \$21,587,036 as compared with 4,858,947 barrels at \$19,382,617 in 1935-36, an increase in value but a decrease in quantity. The March export was 390,315 barrels at \$2,183,272 compared with 476,773 at \$1,991,684 a year ago.

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## Index Numbers of Wholesale Prices

The Dominion Bureau of Statistics index number of wholesale prices on the base 1926=100, fell from 86.9 for the week ending April 2 to 86.7 for the week ending April 9. On the same date last year it stood at 72.0.

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## Stocks of Grain in Canada

Total stocks of wheat in Canada at March 31 amounted to 118,005,450 bushels as compared with 246,797,301 at the same date in 1936. Stocks in various positions with corresponding figures for 1936 in brackets follow: in elevators, flour mills and afloat 66,640,453 bushels (193,412,726); in transit by rail, 4,433,997 bushels (6,630,575); on farms, 46,931,000 bushels (46,754,000).

The quantity of wheat remaining on farms at March 31 amounted to 46,931,000 bushels, or 20 p.c. of the total wheat crop of 229,218,000 bushels. At March 31, 1936, 17 p.c. or 46,754,000 bushels remained from the 1935 crop of 281,935,000 bushels. Of the total 1936 wheat crop 0.7 p.c. or 1,515,500 bushels were reported as of unmerchantable quality as compared with 3.5 p.c. or 9,869,300 in 1935.

The total quantity of oats is estimated at 79,504,368 bushels compared with 155,783,236 at the end of March, 1936, this year's total comprising 10,641,991 bushels in elevators and flour mills, 783,377 bushels in transit by rail and 68,079,000 on farms.

Barley stocks amounted to 19,733,553 bushels compared with 31,447,981 at the same date last year, the 1937 figures including 8,321,236 bushels in elevators and flour mills, 217,317 in transit by rail and 11,195,000 on farms.

Stocks of rye are estimated at 1,954,144 bushels as against 6,979,456 in 1936, this year's total including 1,545,526 in elevators and flour mills, 38,618 in transit by rail and 370,000 on farms.

Flaxseed stocks amounted to 888,047 bushels compared with 694,957 at the end of March, 1936, the total in 1937 being made up of ~~632,422 in elevators, 35,125 in transit by rail~~ and 220,500 on farms.

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## Reports Issued During the Week

1. Canadian Grain Statistics.
  2. Stocks of Grain on Hand ~~and of Merchantable Quality, March 31, 1937, Canada.~~
  3. Weekly Index Numbers of Wholesale Prices.
  4. Summary of Exports of Canadian Grains and Flour, March.
  5. Railway Statistics, January.
  6. Advance Report on the Manufacturing Industries, 1935.
  7. Security Prices and Foreign Exchange.
  8. Cold Storage Holdings of Meat and Fish, April 1.
  9. Stocks of Apples, Pears, Small Fruits and Vegetables, April 1.
  10. Stocks of Dairy and Poultry Products, April 1.
  11. Production of Butter and Cheese.
  12. Car Loadings.
  13. Sales and Purchases of Securities Between Canada and Other Countries, February.
  14. Sales of Motor Vehicles and Motor Vehicle Financing, 1936.
  15. Summary of the Trade of Canada, February.
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