

## WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce

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Economic Index Declined 2 p.c. from the Preceding Week and rose 6.5 p.c. over the Same Week of 1936

Owing to the decline in five out of the six major factors, the economic index receded from 114.2 to 111.8 in the week of April 17. The index of capitalized bond yields rose 0.4 p.c., constituting the only constructive factor among the components. The index of carloadings was nearly  $3\frac{1}{2}$  p.c. less than in the preceding week and wholesale prices declined 0.8 p.c. Commodity prices were particularly weak, marked decline being shown in grain and base metal prices. The adjusted index of bank clearings was  $4\frac{1}{2}$  p.c. lower and a marked decline was shown in the number of industrial shares traded on the Montreal and Toronto stock exchanges. The index of common stocks at 139.4 against 141.3 showed a decline of 1.3 p.c.

The trend of the economic index in 1937, has followed roughly the pattern of last year, a considerable lead having been consistently shown from the beginning of the present year. The index in the week under review was 111.8 against 105.0 in the week of April 18 last year, representing a gain of  $6\frac{1}{2}$  p.c. Five of the six major factors recorded considerable gain over the same week of last year. The exception was capitalized bond yields, which are now ruling considerably below the levels of last year, the index shows a decline of slightly more than 5 p.c. The factors representative of business conditions continued to record a considerable lead over the corresponding week of April 1936. The index of carloadings showed a gain of nearly 7 p.c., while wholesale prices were 19 p.c. greater. The marked advance in wholesale prices in the last 10 months is the most striking feature bearing on the trend of the economic index. Despite the decline in common stock prices since the early part of April, the index still shows a lead of 17 p.c. over the corresponding period of last year. The maximum position in the first four months of 1936 was reached in the latter part of February, and that high point was not again equalled until the beginning of the last quarter of that year. Bank clearings and speculative trading continued to show considerable lead over the third week of April last year.

The railway freight movement, while showing a seasonally adjusted decline from the preceding week, still represented a relatively large volume. The index was 82.4 against 85.3 in the preceding week. The loadings in the first 14 weeks of this year were 658,000 cars against 589,000 in the same period of last year. The gain of 69,000 cars showed the influence of the acceleration in the movement of miscellaneous commodities consisting mainly of manufactured goods and l.c.l. merchandise. The forestry products and ore were also moved in much heavier volume this year. Grain, coal and coke were the only commodity groups out of the eleven making up the official classification to show a decline.

The reaction in wholesale prices continued for the second consecutive week following the marked advance of the preceding 10 months. Sharp reaction was shown in grain prices, No. 1, Northern wheat declining from  $147\frac{5}{8}$  to  $137\frac{7}{8}$ . Each of the coarse grains participated in the decline. Cattle prices recorded a considerable gain on the Toronto stockyards while bacon hogs were maintained. Non-ferrous metal prices were weak on the New York metal markets, declines being shown in tin and silver. Copper was  $15\frac{1}{2}$  cents, unchanged from the preceding week, but the price receded one cent in later dealings.

Base metals were subject to marked liquidation on the London metal exchange. Electrolytic copper was £62 per ton on April 20, against £60, 10s on the 13th. Lead receded from £25 per ton to £23 5s and zinc from £25 18s to £22 5s during the same interval. A strong rally, however, was shown in metal prices on the 21st of the month. High-grade bond prices have recently recorded a considerable rally. The bid quotation for the 1947-57,  $4\frac{1}{2}$  percents was  $107\frac{1}{8}$  on April 19, against  $106\frac{3}{4}$  on April 12. The advance in 1950-55, 3 percents was  $\frac{1}{2}$ , and the 1946,  $4\frac{1}{2}$  percents advanced from  $108\frac{1}{4}$  to  $109\frac{5}{8}$ . The average yield of the six issues used in the index was 3.51.

Common stock prices were reactionary in the week ended April 15, nine banks being the only group in the official classification showing advance. The index of 96 common stocks receded from 141.3 to 139.4. The highest point reached in recent years was that of 149.5 in the week ended March 11 last.

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>	Prices of Common Stocks	Shares Traded	Economic Index <sup>4</sup>
April 18, 1936	77.1	72.2	143.5	94.4	119.0	134.3	105.0
April 10, 1937	85.3	86.7	135.5	113.5	141.3	491.5	114.2
April 17, 1937	82.4	86.0	136.1	108.4	139.4	352.2	111.8

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.

Bank Debits showed a gain of 9½ p.c. in the first Quarter of 1937 over the same period of 1936

Owing to expansion in business operations and the marked advance in commodity and stock prices, the amount of cheques cashed by the banks showed a pronounced gain in the first quarter of 1937 over the same period of last year. Cheques cashed by the branch banks in the thirty-two clearing centres were \$9,150 million, recording a gain of more than three quarters of a billion. The Dominion total was nine and one half percent greater than in the first quarter of last year, representing significant recovery in the dollar volume of business.

Twenty-eight of the 32 clearing centres recorded gains in this comparison, the exceptions being four centres in the Prairie Provinces. The greatest percentage gain was shown in the Maritimes where the increase was 35 p.c. A gain of 21.5 p.c. was shown in the province of Quebec, increases being general in the three centres. Cheques cashed in Montreal amounted to \$2,868 million, a gain of 21.6 p.c. over the first quarter of 1936. The gain in the provincial total was nearly \$640 million.

Each of the thirteen clearing centres of Ontario recorded advances, the aggregate being 15.5 p.c. greater. Cheque payments of Toronto were \$3,462 million in the first quarter, a gain of nearly 18 p.c. The total for Ontario reached the large amount of \$4,300 million, the increase being \$577 million.

Six of the ten centres in the Prairie Provinces recorded larger cheque payments but the total for the area showed a considerable decline, the reduction was mainly occasioned by the drop in the transactions of Winnipeg. The gain in the bank debits of British Columbia was more than 8 p.c., the increase in Vancouver having been \$32 million.

The excellent showing in bank debits during the first quarter of 1937 was correlated with betterment in other economic factors. The gain over the first quarter of 1936 in the official index of the physical volume of business was slightly more than eleven per cent. The most significant economic change during the last ten months was the marked advance in wholesale prices. The levels of the first three months of 1936 were exceeded by no less than 14.6 p.c. The index of common stock prices, a factor subject to marked fluctuation, averaged 21.6 p.c. higher in the first three months of this year.

As bank deposits showed a gain of about 7 p.c. and bank debits an increase of 9.5 p.c., it is evident that the turnover of deposits showed a considerable betterment in the quarter under review.

Bank debits in First Quarter of 1937 compared  
with same period of 1936

	First Quarter of 1937	First Quarter of 1936	Inc. + P.C. of Dec. - 1937 to 1936
	\$'000,000	\$'000,000	\$'000,000
Dominion Total .....	9,149	8,358	+791 109.5
Maritime Provinces .....	190	141	+ 49 135.0
Quebec .....	3,057	2,517	+540 121.4
Montreal .....	2,869	2,359	+509 121.6

(Continued)

Bank debits in First Quarter of 1937 compared  
with same period of 1936

	First Quarter of 1937	First Quarter of 1936	Inc. + Dec. -	P.C. of 1937 to 1936
	\$000,000	\$000,000	\$000,000	
Ontario .....	4,300	3,723	+577	115.5
Toronto .....	3,462	2,940	+522	117.8
Prairie Provinces .....	1,059	1,476	-416	71.8
Winnipeg .....	634	1,081	-446	58.7
British Columbia .....	543	502	+ 41	108.1

Expansion in Productive Operations in March

After showing a downward trend for several months, the index of the physical volume of business recorded a reversal in March. The index, according to preliminary computation, recorded an appreciable advance over February. Other major factors also registered gains forming an encouraging financial background. Commodity and common stock prices reached new high points on the recovery during March. Some reaction has been shown in the early weeks of April, but present levels remain high relative to the standing in any year from 1930 to 1936. The decline in high-grade bond prices continued week by week throughout the first quarter, but quotations steadied during the elapsed portion of April. Banking operations reported as for the first of March reflected the strong liquid position of the banks, readily available assets and security holdings rising to new high points in history. Appreciable gain was shown in current loans and demand deposits.

The resumption of the upward trend in productive operations was the chief significant factor in March. A considerable number of factors rose to a new high point, while many others reflected greater volume than at any time since the prosperity phase of the last cycle from 1928 to 1930.

Nickel exports were greater in March than in any other month in history, the outward movement having been 24,203,000 pounds against 15,932,000 in February. Copper exports were also in heavy volume amounting to 40,585,000 pounds. The index number was greater than in any month since last September and the movement was greater than in any other March, except one, in the post-war period. Zinc exports recorded expansion in March, the index moving up from 104 to 119. Precious metal shipments from Canadian mines recorded a lower level than in February, even before seasonal adjustment. Asbestos exports reached the high point of 13,612 tons against 10,315 in February. Bauxite imports for the manufacture of aluminium showed decline from the preceding month.

Live-stock slaughterings in the foodstuffs group reached a new high point for any March in the post-war period, the index advancing from 145 in February to 156 in March. A gain was shown in the manufacture of sugar and the milling industry was more active in the latest month for which statistics are available. Canned salmon exports receded from the high level of the preceding month. The gain in the imports of raw materials by the textile industry was less than normal for the season. The imports of raw wool, however, were greater than in any other March in the last 18 years.

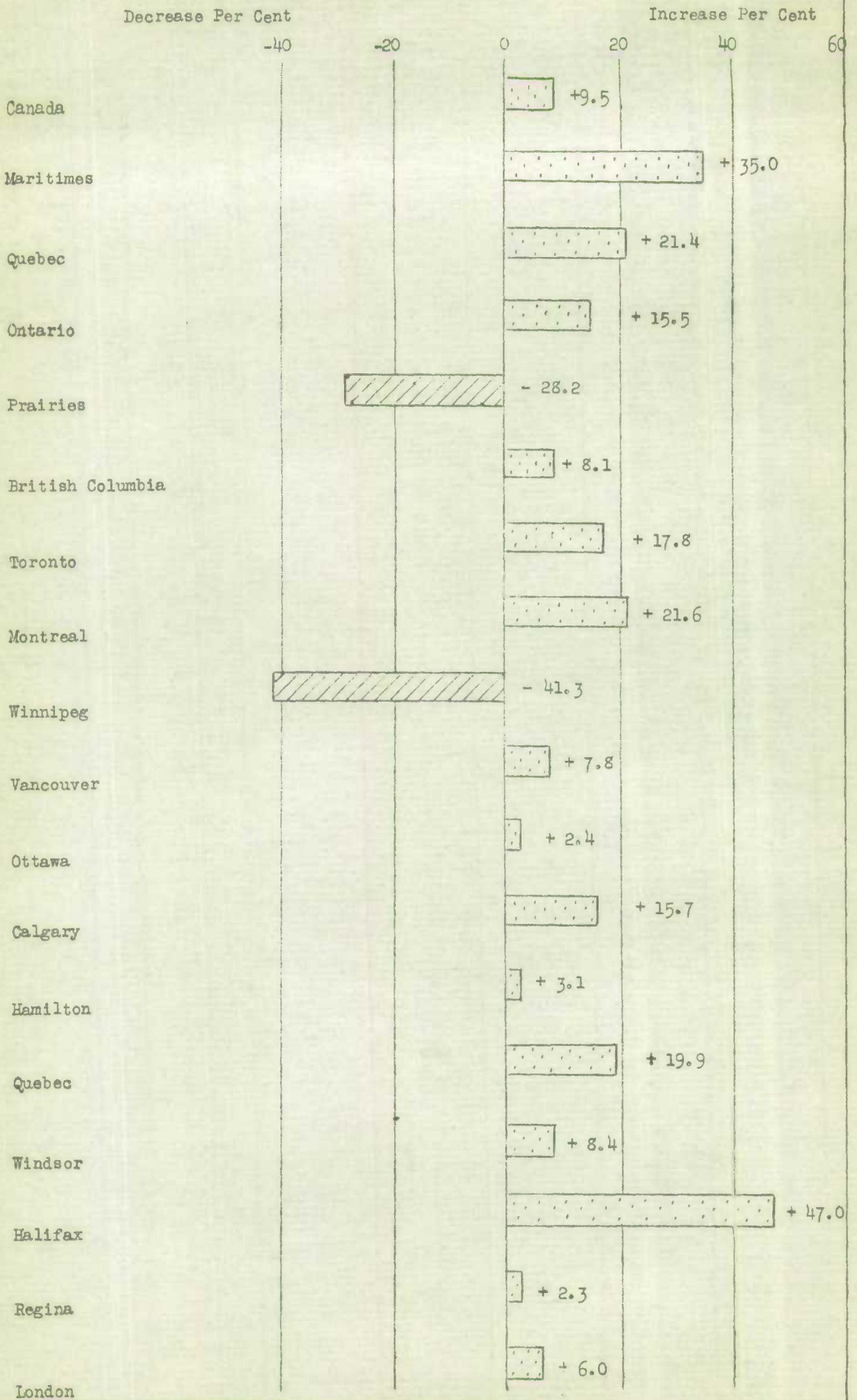
The forestry group continued active in March, newsprint production being greater than in any other month in history. Gains were shown in the exports of wood-pulp and shingles, while the increase in the exports of planks and boards was less than normal for the season.

The operations of the primary iron and steel industry were accelerated in March when the output of steel ingots was 125,104 tons against 111,823 in February. Pig iron production also showed a gain at 70,986 tons against 61,995. Automobile production recorded a gain in both the usual comparisons. Crude petroleum, indicative of conditions in the oil industry, receded from 52,419,000 gallons to 50,483,000 in March. Crude rubber imports used largely by the tire industry were 5,852,000 pounds showing a marked gain over February even after seasonal adjustment.

Brighter prospects were indicated for the construction industry which obtained a much greater amount of new business in March than in February. The index of contracts awarded and building permits moved up from 45.5 to 83.0. The railway freight movement continued to show a lead over the corresponding period of 1936, carloadings in March were 214,379 against 186,213 in February.

Referring to the external trade, imports recorded a seasonally adjusted gain in March from the preceding month, while the gain in exports was less than normal for the season.

Bank Debits in the First Quarter of 1937  
 compared with the same period of 1936



### Canada's Export Trade in March

The domestic exports of Canada in March were of the value of \$88,327,000 compared with \$73,445,000 in March, 1936, an increase of \$14,882,000 or 20 per cent. The total to British Empire countries was worth \$39,032,779 compared with \$35,657,037, a gain of \$3,375,742 or nine per cent. Domestic exports to countries outside the British Empire amounted to \$49,293,750 compared with \$37,788,437 a year ago, an increase of \$11,505,313 or 30 per cent.

Canada's 12 leading markets in March were as follows, with corresponding figures last year in brackets: United States \$38,870,000 (\$28,261,303), United Kingdom \$30,019,000 (\$26,756,837), Japan \$2,310,418 (\$1,887,061), British South Africa \$2,213,722 (\$1,841,324), Australia \$2,150,877 (\$2,271,850), New Zealand \$1,185,048 (\$2,009,912), Belgium \$887,675 (\$1,705,576), France \$744,878 (\$594,416), British India \$725,021 (\$229,303), Germany \$705,360 (\$631,581).

The largest gain in Canada's March exports was made in non-ferrous metals which rose from \$13,955,000 to \$24,219,000. There were heavy purchases by the United Kingdom, rising from \$6,370,000 to \$9,188,000 and by the United States, rising from \$4,670,000 to \$9,524,000. Copper rose from \$2,982,000 to \$5,352,000, nickel from \$5,278,000 to \$6,281,000, lead from \$887,000 to \$2,481,000 and gold bullion from \$1,416,000 to \$4,248,000. All the gold bullion went to the United States.

There was a sharp advance in coats from \$2,621,000 to \$4,029,000, the amount to the United Kingdom being \$3,504,000. Newsprint paper also made a notable gain from \$9,514,000 to \$11,611,000, the United States' purchase being \$9,163,000 and to the United Kingdom \$883,000. Planks and boards rose from \$2,822,000 to \$3,550,000 and wood pulp from \$3,025,000 to \$3,633,000.

Grains dropped from \$10,505,000 to \$6,443,000 but wheat flour increased from \$1,992,000 to \$2,183,000 and beef cattle from \$1,112,000 to \$1,318,000, the amount to the United States being \$1,288,000 and to the United Kingdom \$15,000. Machinery increased from \$596,000 to \$1,041,000.

### Exports to the United States under Reciprocity Agreement

Canada's March exports to the United States under the reciprocity agreement amounted in value to \$23,619,907 against \$18,861,545, a gain of \$4,758,362 or 24 per cent. The total of such commodities sent to the United States during the first three months of the current year was \$60,921,780 against \$47,187,912, a gain of \$13,733,868 or 29 per cent.

### Wheat Stocks and Movement

Canadian wheat in store on April 16 recorded a decrease of 3,074,121 bushels from the week before and 119,816,102 when compared with the corresponding date in 1936. Total stocks were 77,702,901 bushels against 80,777,022 last week and 197,519,003 on April 17, 1936. Wheat in transit by rail totalled 4,253,971 bushels and lake transit wheat 820,700 bushels. Canadian wheat in the United States amounted to 12,041,387 bushels against 13,529,968 in the previous week and 13,139,736 a year ago.

Overseas export clearances of wheat during the week ending April 16 amounted to 1,993,237 bushels compared with 1,115,107 in the previous week and 2,391,796 in the corresponding week last year. Total clearances from August 1 to April 16 were 109,575,294 bushels as against 105,704,387 in the same period last year.

Marketings of wheat in the Prairie Provinces for the week ending April 9 amounted to 1,284,434 bushels compared with 1,327,371 in the previous week and 1,297,010 in the corresponding week last year. Total marketings from August 1 to April 9 were 152,050,689 bushels as against 195,267,056 in the same period of the previous crop year.

### Newsprint Paper Exports

Canada's export of newsprint paper amounted to 5,898,695 cwt. valued at \$10,659,613 in March as compared with 5,131,272 cwt. at \$8,794,454 a year ago. The total to the United States was 4,968,855 cwt. worth \$8,989,652, and to the United Kingdom 348,999 cwt. at \$547,279. Total exports of newsprint during the fiscal year 1936-37 were 62,899,709 cwt. of the value of \$110,176,448 against 53,261,626 cwt. at \$90,761,379 in the previous fiscal year.

### Meat Exports

Canada's export of meats during the fiscal year ended March amounted to \$36,114,497 as compared with \$24,220,802 during the previous fiscal year. The United Kingdom was the chief purchaser, the total to that country being \$31,330,280. The export of bacon and hams was worth \$28,801,291 as against \$19,407,285, accounting for a large part of the increase in the grand total export of all meats. The United Kingdom took the bulk of the bacon and hams sent abroad, the value being \$27,839,974.

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### Export of Milk and Its Products

The export of milk and its products during the fiscal year 1936-37 amounted in value to \$14,447,544 as compared with \$10,807,451 in the previous fiscal year. Cheese exports were worth \$11,236,543 as compared with \$6,789,588, butter \$1,183,633 against \$1,795,784, condensed milk \$269,251 compared with \$283,013, milk powder \$563,248 against \$532,035 and evaporated milk \$1,113,936 as compared with \$1,400,362. There were 1,225,381 dozen eggs exported during the year of the value of \$330,159 in comparison with 1,140,856 at \$304,789 during 1935-36.

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### Export of Cattle

The export of cattle showed a sharp increase in the fiscal year 1936-37, amounting to 304,954 head of the value of \$13,109,934 as compared with 138,932 at \$6,635,858 in the previous fiscal year. The increase was especially pronounced in beef cattle sent to the United States, the total being 254,567 head valued at \$9,618,779 against 125,174 at \$5,907,203 the year before. There was also a large increase in the export of beef cattle to the United Kingdom, amounting to 36,431 head worth \$2,765,507 as compared with 2,811 at \$190,240. The number of cattle sent abroad for dairying was 9,085 head valued at \$544,793 against 6,748 at \$414,708 in 1935-36, of which the United States took 8,737 head valued at \$521,687.

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### Farm Poultry in the Dominion

There were 59,298,000 poultry in the Dominion on June 1, 1936, consisting of 55,717,000 hens and chickens, 2,039,900 turkeys, 859,000 geese, and 682,000 ducks. On December 1, 1936, the number of farm poultry was estimated at 47,533,700, of which 43,491,600 were hens and chickens, 2,400,100 turkeys, 922,400 geese and 719,600 ducks. As there are 728,623 farms in Canada the average number of poultry per farm on June 1 was 81 and on December 1, as the result of marketing the number was 65. The estimated consumption of poultry in 1936 was 203,085,000 pounds which represented an increase of 1,855,000 pounds over 1935. The per capita consumption at 18.42 pounds was slightly less than the 18.51 pounds in 1935.

Production of farm eggs in 1936 is estimated at 219,428,000 dozen, a decrease of 4,112,000 dozen or 1.8 per cent. With the exception of Quebec, Ontario and British Columbia all provinces contributed to the decrease. The estimated number of laying hens was 23,790,000, a reduction of 804,000, or 3.3 per cent. Offsetting the decrease in the number of laying hens was a slight increase in egg production per hen. The estimated value of farm eggs in 1936 is placed at \$40,767,000, an average of 18 cents per dozen, compared with \$37,763,000 or 17 cents per dozen in the preceding year. This total value is the highest recorded since 1930.

The gross value of poultry and eggs combined totalled \$81,118,000, which is \$3,063,000 more than the value in 1935, and is the highest recorded since 1931. The per capita consumption of eggs showed a slight decline, being 21.66 dozen in 1936 compared with 22.39 in 1935. The average production of eggs per farm in 1936 was 301 dozen.

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### Retail Prices, Rents and Costs of Services

The Dominion Bureau of Statistics index number of retail prices, rents and costs of services on the base 1926-100 rose from 81.7 in February to 82.0 in March, due to moderate increases in the food, clothing and sundries groups. An index for retail prices alone, including foods, coal, coke, clothing, household requirements, etc., advanced from 77.2 to 77.7. When foods were removed from this index, it was 79.5 in March as compared with 78.7 for the previous month.

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### World Wholesale Price Movements

World commodity prices continued to rise at an accelerated rate during the first quarter of 1937. The lead in this movement was taken by metals, with sharp increases in iron and steel supplementing advances in non-ferrous markets. Iron and steel are characteristically stable commodities for which prices usually change infrequently and in relatively small amounts. Food materials lagged somewhat, particularly in the case of animal products, although in the earlier stages of price recovery, foods showed the greatest increases. Industrial products and building materials have moved up substantially since the beginning of the year.

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### March Building Permits

The value of the building permits issued by 58 cities during March was \$6,654,516, the highest in any month since 1931. The March total recorded an increase of \$4,534,405 over the preceding month, and a gain of \$4,285,979 over the corresponding month last year. Decided improvement was shown in the authorizations during the first three months of the current year, the total being \$10,470,129, an increase of \$4,877,657 or 87.2 p.c. over the same period of 1936. However, this total is still considerably below the average of \$18,580,660 indicated in the last seventeen years.

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### Reports Issued During the Week

1. Canadian Grain Statistics.
  2. Car Loadings on Canadian Railways.
  3. Trade of Canada, Calendar Year 1936 (Price 50 cents).
  4. The Grain Situation in Argentina.
  5. Production of Poultry and Eggs, 1936.
  6. Building Permits, March.
  7. Traffic Report of Railways, January.
  8. Summary of Monthly Railway Traffic, 1936.
  9. Exports of Canadian Milk, Milk Products and Eggs, March.
  10. Exports of Canadian Animals, Living, March.
  11. Exports of Meats, Lard and Sausage Casings, March.
  12. Exports of Canadian Paints and Varnishes, March.
  13. Exports to Empire and Foreign Countries, March.
  14. Exports of Non-Ferrous Ores and Smelter Products, March.
  15. Exports of Canadian Petroleum and Its Products, March.
  16. Exports of Canadian Pulp Wood, Wood Pulp and Paper, March.
  17. Asphalt Roofing Production, March.
  18. Asphalt Roofing Sales, March.
  19. Weekly Index Numbers of Wholesale Prices.
  20. Production of Iron and Steel, March.
  21. Canada's Tourist Trade, 1936.
  22. Petroleum Industry, 1935.
  23. Security Prices and Foreign Exchange.
  24. World Price Movements, First Quarter, 1937.
  25. Prices and Price Indexes, March.
  26. Summary of Canada's Domestic Exports, March.
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