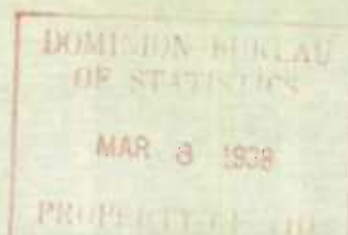


WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce



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Economic Index rose $2\frac{1}{2}$ p.c. over the preceding week and 5.4 p.c. over the same week of 1936

Owing to the rise in five components and the maintenance of one, the economic index rose from 108.4 in the week of May 15 to 111.1 in the week under review. Each of the six major factors except common stock prices, which was unchanged, recorded an advance in the week of May 22. The largest percentage gain was shown in bank clearings while increases in other lines were of a moderate character. The most significant change of the week was in wholesale prices, the index rising from 84.7 to 85.4. The rally in grain prices was largely instrumental in raising the index. Carloadings showed a slight gain but the occurrence of a holiday detracts from the significance of the results. The further rise in high grade bond prices has become a noteworthy development. The levels of 1935 were exceeded in the week of May 20, but a decline of 3.2 p.c. was still shown from the same week of 1936. The advancing trend since the middle of April has narrowed the disparity between present levels and those of the same period of last year.

Four of the six major factors recorded increases over the week of May 23, 1936. The net result was that the economic index advanced from 105.5 to 111.1, a gain of 5.4 p.c. The factors indicating the trend of business conditions recorded a very favourable showing. Carloadings which have persistently shown a lead over the same weeks of 1936 stood at a point 15.7 p.c. greater than in the same week of 1936, due allowance being made for the holiday. The most outstanding alteration from 1936 was the marked lead in wholesale prices, the weekly index recording a gain of 18.8 p.c. The index in the week under review was 85.4 against 71.9 in the same week of last year. Despite the marked liquidation of speculative commodities since the early part of April, the recession in the index has been of moderate proportions when viewed in the light of the rapid advance during the preceding nine months. Common stock prices recorded marked decline from the early weeks of March to the present time but a steadier tendency has been in evidence in the last three weeks. The lead over the same week of 1936 was slightly more than 14 p.c. The stock market was relatively quiet from May to August last year and changes in general stock prices were comparatively slight. Bank clearings, after usual adjustments, staged a sharp gain in the week of May 20 and stood at about 6 p.c. greater than in the same week of last year. Stock exchanges were quiet in the week under review and considerable decline was shown from the trading of last year.

Carloadings in the first 19 weeks of the year at 899,500 cars showed a gain of 86,500 over the same period of the preceding year, a gain of more than $10\frac{1}{2}$ p.c. Only two of the eleven commodity groups of the official classification recorded declines in this comparison. The movement of grain has shown a considerable deficit while the recession in shipment of coke was 2,672 cars. The loadings of coal were comparatively heavy in the latest week for which statistics are available, resulting in a higher cumulative for the present year than during the first 19 weeks of last year. Ore and forestry products have shown substantial gains over the same period of last year, while the main influence in raising the general index was the advance in the movement of miscellaneous commodities and l.c.l. merchandise.

Wholesale prices recovered considerably in the week under review more than off-setting the recession of the preceding week. Prices were particularly strong on the Winnipeg grain exchange, Manitoba Northern wheat advancing from $128\frac{1}{2}$ to 134, while considerable gains were recorded in coarse grains. Some improvement was shown in live stock prices on the Toronto stockyards. Base metal prices were steady to firm on the New York metal exchange. Copper, lead and zinc were fully maintained at the level of the preceding week, while an advance was shown in tin. The price of silver bars dropped from $45\frac{1}{4}$ to $44\frac{7}{8}$. Advances were recorded in spot prices of raw silk and cocoa.

A rebound in Dominion Government bonds continued, the four and a half's of 1947-57 having been bid $108\frac{5}{8}$ against $107\frac{3}{4}$ on May 14. The three's of 1950-55 moved up $\frac{1}{4}$ to $95\frac{1}{4}$ and the four and half's of 1946 were $109\frac{1}{2}$ against $108\frac{1}{2}$. The level of common stock prices was maintained in the week under review. The marked revival in the prices of two industrial mines more than counterbalanced recessions in the other industrial groups. The index of 15 power and traction stocks was 83.5 against 83.1 in the preceding week. Base metals recorded recovery on the mining exchanges while the decline in gold stocks continued.

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
May 23, 1936	74.4	71.9	144.9	98.7	115.3	197.6	105.5
May 15, 1937	85.9	84.7	139.7	89.7	131.5	119.3	108.4
May 22, 1937	86.2	85.4	140.3	103.9	131.5	119.5	111.1

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.

Industrial Production in Important Countries

General gains in the indexes of industrial production in the leading countries presents evidence of world-wide economic recovery. The indexes of each of the 18 countries considered in this connection showed gains in the latest available month over the same period of the preceding year.

The increase in the Canadian index compiled by the Dominion Bureau of Statistics was 16.3 p.c. In this respect Canada stood sixth among the 18 countries. The advance in the index of Canada was fairly continuous since the first quarter of 1933 when the low point of the depression was reached. The standing in the latest comparable month was 96.1 p.c. of that of 1929 when industrial production was at a maximum in the history of the Dominion. Activity in March was nearly 23 p.c. greater than the monthly average in 1926 regarded by many as a normal level for the post-war period.

The United States was second in the list in regard to percentage gains over the same month of a year ago. The index on the base of 1929 moved up from 78.2 to 99.2. The gain of 26.9 represents the rapid progress toward recovery in the last twelve months.

While the gain in the United Kingdom was only about 9.5 p.c., the index for the latest available period was 23.1 p.c. greater than the average for 1929. The index has recently ruled higher than at any time during the period of observation.

The widespread nature of industrial expansion indicates a trend in the direction of "world economy", in which all the members prosper or suffer together. The recent major depression was well-nigh worldwide in its scope, and the emergence from the worst phases of that condition has now become an accomplished fact.

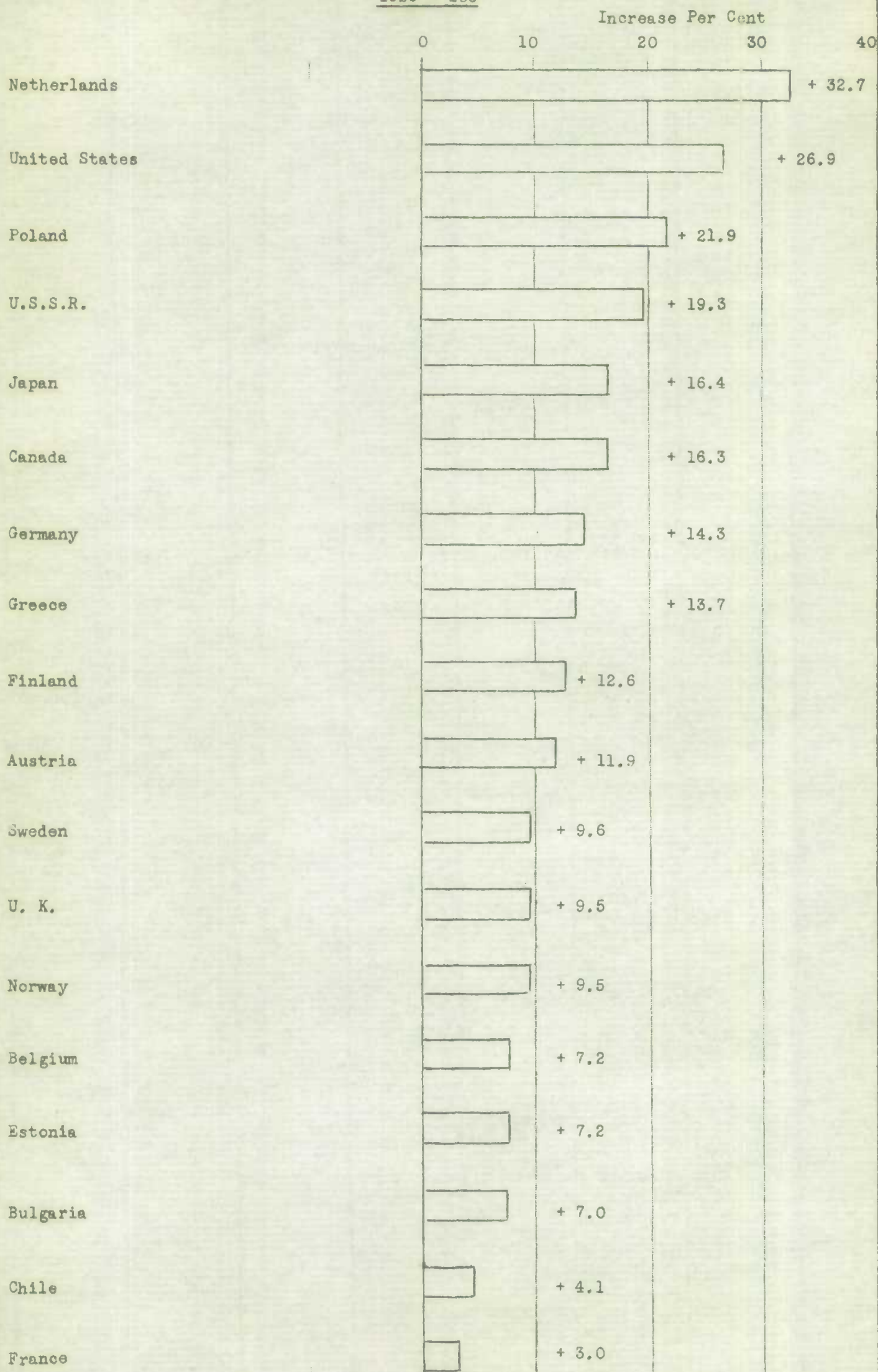
Indexes of Industrial Production in 18 Countries for the latest month available compared with the same month of the preceding year
1929=100

	Latest Month Available	Same Month of Preceding Year	Increase Per Cent
Netherlands	92.6	69.8	+32.7
United States	99.2	78.2	+26.9
Poland	83.9	68.8	+21.9
U.S.S.R.	414.2	347.2	+19.3
Japan	157.5	135.3	+16.4
Canada	96.1	82.6	+16.3
Germany	107.0	93.6	+14.3
Greece	146.9	129.2	+13.7
Finland	141.7	125.8	+12.6
Austria	94.0	84.0	+11.9
Sweden	137.0	125.0	+ 9.6
United Kingdom	123.1	112.4	+ 9.5
Norway	127.7	116.6	+ 9.5
Belgium	86.7	80.9	+ 7.2
Estonia	129.0	120.3	+ 7.2
Bulgaria	85.9	80.3	+ 7.0
Chile	130.2	125.1	+ 4.1
France	74.6	72.4	+ 3.0

Source: Monthly Bulletin, League of Nations, May, 1937

Percentage Change in the Indexes of Industrial Production in 18 Countries
for the latest month available compared with the same month of the preceding year.

1929 = 100



Source: Monthly Bulletin, League of Nations, May, 1937.

Fruit and Vegetable Crop Report

Weather conditions during the past winter were favourable for fruit trees and bushes and in all parts of the country they have come through without injury. In British Columbia the winter was cold but heavy snowfall prevented serious damage to fruit plants and trees. The mild, open winter which prevailed throughout the eastern provinces was accompanied by some injury to strawberries which were blanketed by ice but on the whole the damage was slight. Trees and small fruits in Ontario have made a remarkable recovery from the setback resulting from last summer's drought and the outlook is encouraging for all crops, barring the possibility of frost during the blossoming period. In Quebec, New Brunswick and Nova Scotia, winter losses were negligible.

World Wheat Situation

While the European demand for wheat has only been moderate within recent weeks, no heavy buying wave will be needed to reduce the carry-over of Canadian wheat on July 31 to its lowest proportions since 1925. Both United Kingdom and Continental purchases have slackened since the cheap Argentine supplies became exhausted and Argentine prices moved out of export line with other sorts. Nevertheless, United Kingdom importers are under the steady necessity of replenishing stocks, and on the Continent Belgian and Dutch importers are comparably situated, seeking to buy in the most advantageous markets. In addition, Germany, Spain, Greece and France still have varying import requirements to fulfil. With the exception of France, all the above-mentioned countries have lately been inquiring for and buying Canadian wheat.

Exports of Planks and Boards

Exports of planks and boards during April amounted to 101,079,000 feet of the value of \$2,544,036 as compared with 148,837,000 feet worth \$3,549,709 in the previous month and 107,949,000 at \$2,165,157 in the same month last year. The United Kingdom and the United States were the chief purchasers with 50,436,000 feet and 38,688,000 feet, respectively. The export of Douglas fir planks and boards amounted in value to \$801,910 as compared with \$1,130,988 the month before and \$988,584 a year ago, of which the United Kingdom took \$487,220 and the United States \$151,413.

Farm Implements and Machinery

The April export of farm implements and machinery was lower than in the previous month, but was considerably in advance of the same month last year, the amount being \$700,970 compared with \$728,085 and \$519,200, respectively. The largest buyers were: United States \$261,764, United Kingdom \$131,447, Argentina \$98,130 and British South Africa \$70,466.

Export of Meats

Canada's export of meat continued to make favourable progress when compared with corresponding periods of 1936; during April, the export was valued at \$2,825,995 as compared with \$1,843,245 in April, 1936. The United Kingdom was again the chief purchaser with \$2,403,371. Bacon and hams amounted to \$2,232,591 as compared with \$1,571,444, an increase of \$661,047, the United Kingdom taking \$2,148,763 and the United States \$63,457.

Export of Butter and Cheese

The April export of butter and cheese was higher than in the corresponding month last year. Cheese exports increased to \$108,140 from \$71,268, while butter rose to \$10,474 from \$7,769. The United States, the United Kingdom and Jamaica were the chief purchasers of cheese, and Newfoundland and the smaller British West Indies took a large part of the butter.

Cattle Exports

Cattle exports during April were not maintained at the levels of the corresponding month last year, dropping to 19,619 head of the value of \$1,012,160 as compared with 39,179 head at \$1,892,665. The export of 18,840 head to the United States were of the value of \$965,352. The decline was accounted for in beef cattle weighing over 700 lb., which class fell to 10,615 head valued at \$860,011 from 33,898 head at \$1,779,259.

Bank Debits to Individual Accounts

The dollar volume of business in the form of bank debits showed a gain of nearly 22 p.c. in April over the same month of last year and three p.c. over the previous month. The total in the latest month was \$3,376,200,450 against \$2,773,756,280 a year ago and \$3,189,836,520 the month before. Considerable acceleration was shown in the turnover of bank debits in April, the percentage of debits to deposits amounting to 142.5. This percentage compared with 126.3 in April 1936, and 134.6 in March of the present year. The gain in the deposit liabilities of the banks was nearly eight per cent during the last twelve months, while the gain in bank debits was 21.7 p.c.

Sales and Financing of Motor Vehicles

Retail sales of new motor vehicles during April recorded a decline of 4.5 per cent as compared with the corresponding month last year, and the increase over the previous month was less than normal for the season. There were 19,909 new vehicles sold for \$19,950,115 during the latest month compared with 16,302 at \$16,421,816 in March and 20,845 at \$21,161,190 for April, 1936. Cumulative totals for the first four months of 1937 showed considerable increases over the corresponding period last year, there being a gain of 31.3 per cent in number and 29.1 per cent in amount. The number of new vehicles sold was 57,276 at \$57,746,495 as against 43,630 at \$44,712,953.

There were 21,178 motor vehicles financed for \$9,044,091 during April as compared with 13,963 vehicles financed for \$5,942,019 in the previous month and 17,156 at \$7,165,175 during the same month of 1936. The number of new vehicles financed during the month under review was 7,203 with a financed value of \$5,008,159; used vehicles numbered 13,975 financed for a total of \$4,035,932. During the first four months of the year, a gain of 38.9 per cent in number and 43.0 per cent in value is indicated in the financing of motor sales in comparison with the same period of 1936.

Crude Petroleum Production

The production of crude petroleum and natural gasoline in Canada during March was the highest on record since January, 1931, and amounted to 176,657 barrels as compared with 153,905 in February and 117,824 in March, 1936. Aggregate production during the first three months of the year was 471,641 barrels against 346,983 during the same period of 1936 and 353,676 two years ago.

News dispatches from Alberta indicated that the Plains Petroleum well near Taber was brought into production early in March. Towards the close of the month, the Royalite-Sterling #4 well in the Turner Valley field came into production with an initial output of 1,074 to 1,204 barrels of crude oil. Alberta's output in March amounted to 161,832 barrels, consisting of 189,216 barrels from the Turner Valley field, 1,341 from the Red Coulee, 675 from the Wainwright and 600 from the Taber field.

Natural Gas Production

Production of natural gas in Canada during March amounted to 2,677,285,000 cubic feet compared with 3,281,733,000 in February and 2,838,626,000 in March, 1936. Output for the first quarter amounted to 9,781,309,000 cubic feet as compared with 10,349,600,000 in the same period of 1936.

Silver Production

The Canadian output of silver during the first three months of 1937 advanced to 4,371,855 ounces from the output of 3,908,929 in the same period of 1936 and 3,579,494 in the comparable period of 1935. Production during March amounted to 1,658,546 ounces as compared with 1,322,833 the month before and 1,460,402 during March, 1936. The average price of silver on the New York market during March was 45.12 cents per ounce, at which price the Canadian output was worth \$747,339.

Zinc Output

The March zinc output in Canada reached a total of 31,437,089 pounds as compared with 20,547,397 the month before and 26,287,026 in the corresponding month last year. During the three months ended March the Canadian production aggregated 71,767,012 pounds as against 74,350,130 in the same period of 1936 and 72,628,975, the comparable figure for 1935.

Production of Lead

Canada's production of lead during the first quarter of 1937 aggregated 97,824,517 pounds as compared with 86,549,604 during the same period of 1936. The March output amounted to 35,207,467 pounds in comparison with 28,504,743 in the previous month and 31,294,840 in the same month last year. The average price of lead has shown an increase for the fifth month in succession, the March quotations averaging 7.19941 cents compared with 6.18926 the month before. Valued at the March average price the Canadian output was worth \$2,534,730.

Newsprint Exports

The export of newsprint in April, although slightly lower than in the previous month was much in advance of the same month last year. The total in the latest month was 5,055,809 cwt. of the value of \$9,217,217 compared with 5,898,695 at \$10,659,613 in March and 3,857,876 cwt. at \$6,653,093 a year ago. The chief purchasers were as follows: United States, \$8,017,566; United Kingdom, \$366,765; Australia, \$157,909, British South Africa, \$74,957; Argentina, \$59,974; Cuba, \$47,105; Mexico, \$45,389; Japan, \$40,359, and the Irish Free State \$38,354 and New Zealand \$182,977.

Concentrated Milk Production

Concentrated milk production at 12,540,517 pounds set up a new record for the month of April. It was 45 per cent in advance of the previous month and 41 per cent over the output in the corresponding month last year. The export trade in condensed milk showed a large increase, advancing to 642,400 pounds in April as against 61,100 a year ago; evaporated milk was also much higher, amounting to 939,900 pounds against 458,200, with milk powder recording a decline to 219,200 pounds from 335,900.

Rigid Insulating Board

Factory shipments of rigid insulating board during April were much in advance of those in the corresponding month last year, the total being 4,218,810 square feet as compared with 2,517,301. The increase in the shipments of panel board was the feature of the month, while plaster base board and miscellaneous boards were also shipped in heavier volume. Production during April was as follows, with April 1936 figures in brackets: panel board, 3,255,729 (1,904,204) square feet; plaster base board, 358,428 (126,125); roof boards, 56,240 (162,848); miscellaneous, 548,413 (314,114).

Production of Asphalt Shingles

Due largely to greater production of asphalt shingles and mineral surfaced roofing, the output of asphalt roofing reported for the month of April increased to 152,147 squares from 115,661 during the same month last year. During the first four months of the year, production advanced to 454,818 squares as compared with 268,308 during the same period of 1936.

Index Numbers of Wholesale Prices

The Dominion Bureau of Statistics index number of wholesale prices, on the base 1926=100, rose from 84.7 for the week ending May 14 to 85.4 for the week ending May 21. Vegetable Products mounted from 87.8 to 89.6. Grains, milled products, sugar and rubber products moved higher while fruits, vegetable oils, raw rubber and cocoa weakened. Cocoa, which of late has been one of the more speculative commodities, dropped 8.0 points during the week, and has receded from 124.5 to 95.1 since the first of the year. Animal Products fell from 76.4 to 76.2. Footwear, livestock and eggs were buoyant but fish, hides, fresh meats, milk products and fats moved lower.

The index for Textiles remained unchanged at 73.6, although slight reductions were reported for raw wool, while Wood Products changed from 78.3 to 78.5 when advances in spruce and furniture outweighed a loss in British Columbia fir. A decrease in scrap iron lowered the Iron index from 104.2 to 103.8 while Non-Ferrous Metals rose from 84.8 to 86.2 on general recovery. Strength in clay products, coal, glassware and plaster moved the index for Non-Metallic Minerals from 85.6 to 86.6, but Chemicals dropped from 82.2 to 81.9 as drugs, paint materials, organic and inorganic chemicals registered reductions. Canadian Farm Products advanced to 88.7 from 86.5.

Wheat Stocks and Movement

Stocks of Canadian wheat in store on May 21 decreased 3,461,416 bushels from the week before and 113,871,855 from the corresponding date last year. The total was 60,688,822 bushels compared with 64,150,238 a week ago and 174,560,677 a year ago. Wheat in rail transit amounted to 2,411,271 bushels against 7,868,395 on the comparable date last year; wheat in rail transit totalled 2,855,182 bushels compared with 4,707,801. Canadian wheat in the United States amounted to 7,861,513 bushels as against 8,439,052 in the previous week and 13,138,330 on the same date of 1936.

Marketings of wheat in the Prairie Provinces for the week ended May 14 amounted to 896,999 bushels compared with 757,888 in the previous week and 702,176 a year ago. Total marketings from August 1 to May 14 were 156,164,868 bushels as against 199,934,821 during the same period of the previous crop year.

Overseas export clearances during the week of May 21 totalled 3,484,283 bushels as compared with 4,176,349 in the previous week and 5,885,751 bushels in the same week last year. Imports of Canadian wheat into the United States for consumption and milling in bond for re-export in the latest week amounted to 471,000 bushels against 571,000 the week before and 764,000 a year ago. Aggregate clearances from August 1 to May 21 were 122,775,230 bushels against 129,623,926 in the same period of the previous crop year; imports into the United States were 39,221,641 bushels and 39,873,554, respectively.

Automobile Production

Finally revised statistics for 1936 show that automobile production in Canada totalled 162,159 units valued at \$95,955,204 at factory prices compared with 172,877 vehicles at \$99,013,047 in 1935. The decline from 1935 was about six per cent in number and three per cent in value. Included in the 1936 production was 129,369 passenger cars worth \$76,814,258 and 33,790 trucks worth \$19,140,946. Including repair parts, accessories and other products made in automobile factories the output was valued at \$105,350,035 in 1936 as against \$106,624,445 in 1935.

Reports Issued During the Week

1. Production of Automobiles, 1936 (Final).
 2. Weekly Index Numbers of Wholesale Prices.
 3. Telegraphic Crop Report, Prairie Provinces.
 4. Exports of Rubber and Insulated Wire and Cable, April.
 5. Rigid Insulating Board Industry, April.
 6. Sales of Asphalt Roofing, April.
 7. Production of Asphalt Roofing, April.
 8. Bank Debits to Individual Accounts, April.
 9. Financing of Motor Vehicle Sales, April.
 10. New Motor Vehicle Sales, April.
 11. Montreal Stock Inspection Report.
 12. Petroleum and Natural Gas Production and Gasoline Sales, March.
 13. Silver, Lead and Zinc Production, March.
 14. Canada's Leading Mineral Products, March.
 15. Car Loadings on Canadian Railways.
 16. Monthly Review of the Wheat Situation.
 17. Canadian Grain Statistics.
 18. Exports of Animals, Living, April.
 19. Exports of Pulp Wood, Wood Pulp and Paper, April.
 20. Exports of Non-Ferrous Ores and Smelter Products, April.
 21. Exports of Petroleum and Its Products, April.
 22. Exports of Milk, Milk Products and Eggs, April.
 23. Exports of Paints and Varnishes, April.
 24. Exports of Meats, Lard and Sausage Casings, April.
 25. Exports of Farm Implements and Machinery, April.
 26. Exports of Canadian Lumber, April.
 27. Fruit and Vegetable Crop Report.
 28. Automobile Production, April.
 29. Security Prices and Foreign Exchange.
 30. Concentrated Milk Production, April.
 31. Exports to Empire and Foreign Countries, April.
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