

WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce

DOMINION BUREAU
OF STATISTICS

MAR 8 1937

Vol. V - No. 23.

Ottawa, Saturday, June 5, 1937.

Price \$1.50 per year

Economic Index receded 1 p.c. from the Preceding Week
but rose 7.3 p.c. over the Same Week of 1936

Owing to the decline of four of the six major factors, the economic index maintained by the Dominion Bureau of Statistics declined from 111.1 to 110 in the last week of May. Advances were recorded in prices of high-grade bonds and common stocks, while the other factors used in this connection showed decline. The trend of the economic index has been downward since the first month of the year. Following a somewhat similar pattern to that of 1936, a lead over the corresponding weeks of last year has persisted for five months. The lead in the latest week for which statistics are available was 7.3 p.c., a temporary low point having been shown in the index for the last week of May 1936. The striking development of the week was the gain in high-grade bond prices. After following a decline extending over the first quarter, bonds strengthened in April and showed considerable advance in May. The recent rise in prices has narrowed the gap between the levels of the two years. Prices of prominent issues are, at the present time, only slightly below the corresponding week of last year.

The recession in wholesale prices was very slight, the index receding from 85.4 to 85.1, a decline of less than $\frac{1}{2}$ p.c. Wheat averaged considerably lower on the Winnipeg exchange, the price receding from 134 in the week of May 22, to $128\frac{1}{2}$ in the week under review. The price of oats was maintained at $56\frac{7}{8}$, while declines were shown in other coarse grains. The gain in tin on the New York market during the preceding week was partly offset by a recession. Silver bars advanced from $44\frac{7}{8}$ to 45. Base metals were maintained at the level of the preceding week. Metal prices on the London market showed recession on May 31. Electrolytic copper was £62 per ton on May 31, compared with £64 10s on the 24th. Tin, lead and zinc were also at appreciably lower levels. Livestock prices on the Toronto stockyards were strong. Medium steers advanced from 6.98 to 7.13, while bacon hogs averaged 9.16 against 8.72.

After seasonal adjustment, carloadings showed a recession from the preceding week of nearly 6 p.c. in the 20th week of the year. Grain and livestock were moved in lesser volume than in the same week a year ago, while other commodity groups showed important increases. Total loadings in the Eastern Division increased from 31,528 cars in the same week of 1936, to 36,302 cars, and a minor gain was also shown in the Western Division. The lead over the corresponding weeks of 1936 was maintained, the surplus now amounting to 91,812 cars. Grain and coke are the only groups of the official classification to show declines in this connection. Miscellaneous commodities consisting mainly of manufactured goods were shipped in heavy volume during the elapsed portion of the present year, the gain over 1936 having been 57,314 cars.

The index of capitalized bond yields was 143.1 in the week of May 27, against 140.3 in the week of May 20, a gain of 2 p.c. Dominion bonds continued relatively strong, the four and a half's of 1947-57 having been bid at $108\frac{5}{8}$ on May 31, against $108\frac{5}{8}$ on May 25. The three's of 1950-55 were quoted at $95\frac{3}{4}$, a gain of $\frac{1}{2}$ in the same period. The four's of 1947-52 were $105\frac{7}{8}$ against $105\frac{3}{8}$. The average yields of the six issues used in this index moved down from 3.42 to 3.36. Common stock prices were temporarily strong in the week of May 27, general increases being shown in all groups of the official classification. The general index advanced from 131.5 to 133.3, a gain of 1.4 p.c. The lead over the same week of 1936 was 16.8 p.c. when the standing was 114.1. Mining stocks also advanced, the index moving up from 139.9 to 144.0.

Bank clearings were at a somewhat lower level than in the preceding week but showed a gain of 14 p.c. over the same week of last year. Trading was dull on the stock exchanges, declines being shown in both the usual comparisons.

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 30, 1936	73.2	71.8	145.3	85.4	114.1	109.7	102.5
May 22, 1937	86.2	85.4	140.3	103.9	131.5	119.5	111.1
May 29, 1937	81.8	85.1	143.1	97.4	133.3	109.0	110.0

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.

Construction Contracts Greatest Since 1931

The value of construction contracts awarded established during the first five months of the present year, the best record since 1931. The total in the elapsed portion of 1937 was in excess of \$80 million against about \$57 million in the same portion of last year. Seven of the nine provinces showed gains in this comparison, the exceptions being Alberta and Saskatchewan. The amount of contemplated new construction was reported at \$213 million during the first five months of the present year against \$114 million in the same period of 1936.

Contracts placed in May made a very favourable showing over the same month of 1936. The total was \$24 million as compared with about \$15 million last year, a gain of 61½ p.c. The gains were fairly general throughout the groups of the classification. Marked gains were shown in apartments and residences, the total advance in these lines being no less than 42 p.c. The aggregate of business building recorded a gain of 55 p.c., while engineering contracts were nearly 129 p.c. greater. A contrary tendency was shown in industrial building which was one-third less than in May, 1936.

It has been estimated that about thirty thousand dwellings per year are needed for replacements and additions corresponding to the normal growth of the population. Not more than half of this number have been erected on the average in each of the last five years. Since a large number of industries are now operating at high levels, it is anticipated that the extension and construction of industrial plants will become an important factor within a reasonable period.

Construction Contracts Awarded in May 1937 as compared with May 1936

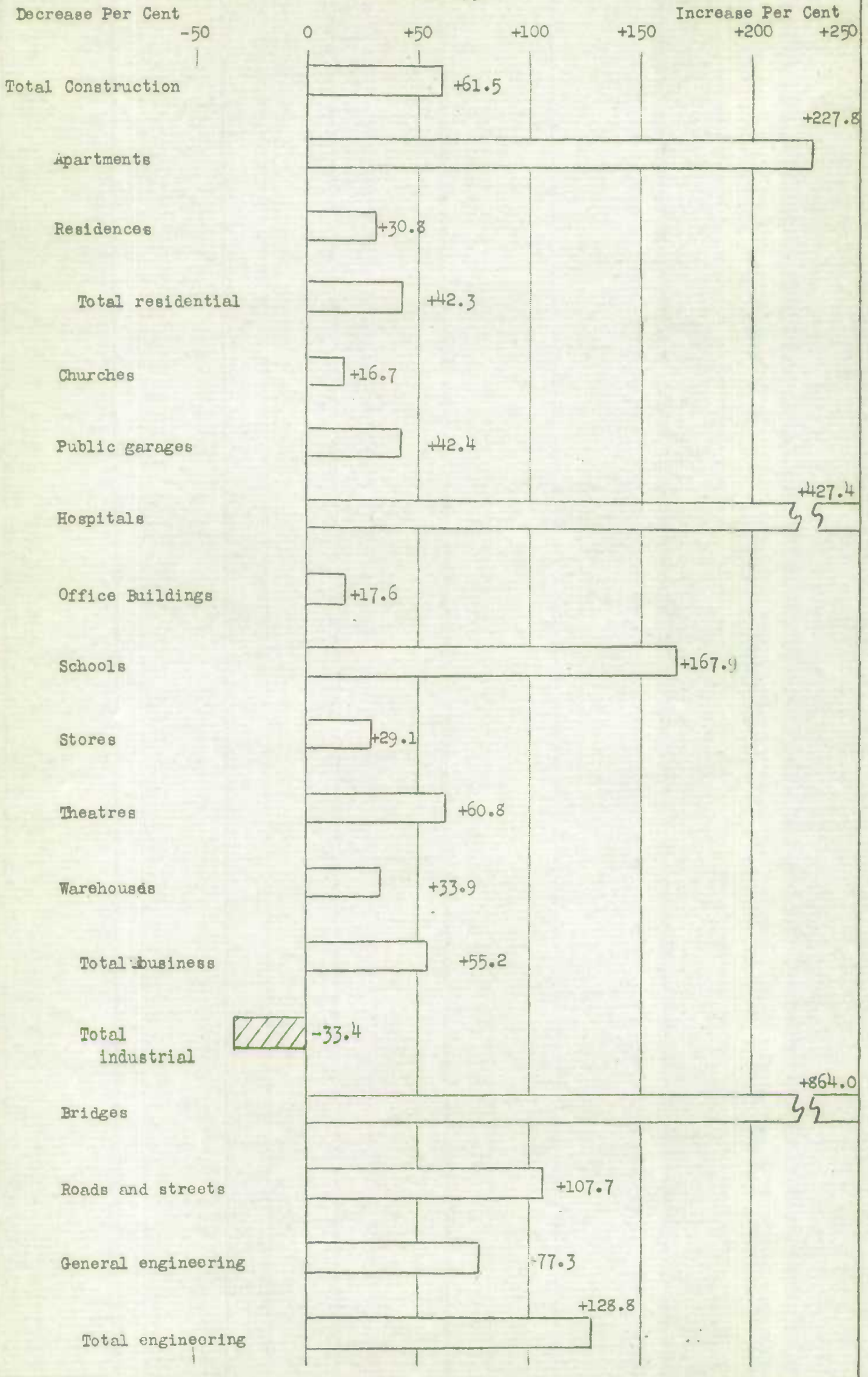
	May, 1937	May, 1936	Increase + Decrease -
	\$	\$	Percent
Total Construction	24,170,500	14,962,800	+ 61.5
Apartments	865,500	264,000	+ 227.8
Residences	5,594,900	4,277,300	+ 30.8
Total residential	6,460,400	4,541,300	+ 42.3
Churches	361,400	309,600	+ 16.7
Public garages	435,100	305,500	+ 42.4
Hospitals	692,500	131,300	+ 427.4
Office buildings	513,900	436,900	+ 17.6
Schools	890,600	332,400	+ 167.9
Stores	730,700	565,900	+ 29.1
Theatres	283,000	176,000	+ 60.8
Warehouses	508,700	380,000	+ 33.9
Total business	5,044,000	3,250,500	+ 55.2
Total industrial	1,535,600	2,306,900	- 33.4
Bridges	1,736,100	180,100	+ 864.0
Roads and streets	6,110,600	2,942,700	+ 107.7
General engineering	2,930,400	1,652,900	+ 77.3
Total engineering	11,130,600	4,864,100	+ 128.8

Source: MacLean's Building Report

United Kingdom Trade

The trade of the United Kingdom improved materially during the first quarter of 1937 as compared with the corresponding months of 1936; the total in the latest period was £369,787,640 as compared with £322,172,823. Imports advanced to £229,924,742 from £200,222,682, domestic exports to £121,142,386 from £106,079,708, and re-exports of imported commodities to £18,720,512 from £15,870,433. The figures quoted do not include gold bullion and specie.

Construction Contracts Awarded in May 1937 as compared
with May 1936.



Retail Trade in March

The gradual upswing in Canadian retail trade continued throughout April. The dollar value of retail sales was 7.9 per cent above March and 8.5 per cent above April last year. On the basis of the average for 1930 as 100, the unadjusted general index number was 79.2 for April, 73.4 for March and 73.0 for April, 1936. When corrections for differences in the number of business days and for normal seasonal variations were made, the general index stood at 78.3 for April compared with 75.3 for March and 70.3 for April, 1936. With the single exception of December, 1936, retail trade was thus at a higher level during April than in any month since 1931.

Retail Sales in Country General Stores

Retail sales in small towns and rural areas for April were about nine per cent higher in dollar volume than in April, 1936, according to returns made by some 550 country general stores located in all parts of the country. This compares with an increase of 8.5 per cent for urban trade reflected in monthly sales of chain and department stores.

Wholesale Trade in April

In continuation of the improvement indicated in each of the monthly comparisons of 1936 and 1935 and in each month of the current year with the corresponding month last year, the dollar value of wholesale sales in Canada during April was 15.6 per cent higher than in April last year, according to returns made by 200 wholesale houses operating in nine different lines of trade. Gains were recorded in all sections of the Dominion. British Columbia, which reported the largest advance in March was 31.7 per cent, again showed the greatest improvement with a gain of 23.7 per cent over April, 1936. Quebec followed with 18.4 per cent, the Maritimes 17.6, the Prairies 15.3 and Ontario 10.2 per cent.

Production of Iron and Steel

Production of pig iron in Canada during April amounted to 68,138 tons in April compared with 70,986 in the previous month and 54,045 in April last year. Included in the month's output were 58,721 tons of basic iron, 8,200 of foundry iron and 1,217 of malleable iron. The output of steel ingots and direct steel castings totalled 121,426 tons against 125,104 in the previous month and 107,220 in April, 1936.

Output of Central Electric Stations

The output of central electric stations amounted to 2,322,884,000 kilowatt hours in April compared with 2,412,259,000 in the previous month and 2,164,628,000 in the same month last year. Exports to the United States during the month totalled 164,247,000 kilowatt hours against 125,496,000 a year ago. Deliveries of secondary power to electric boilers amounted to 648,127,000 kilowatt hours against 706,651,000 in March and 685,527,000 in April, 1936.

Chemicals and Allied Products

The production of chemicals and allied products during 1936 was valued at \$125,702,725 or six per cent in advance of the previous year. In only one year has this total been exceeded, namely in 1929 when the record of \$138,545,281 was attained. But the general price level for chemicals and related products is now about 18 per cent lower than in 1929, and when allowance is made for this factor, the calculation shows the 1936 volume to be greater than in any other year.

Stocks of Unmanufactured Tobacco

Stocks of unmanufactured tobacco on hand at the end of March amounted to 76,566,924 pounds as compared with 84,511,033 at the end of March, 1936, and 81,580,513 two years ago. The stocks of Canadian tobacco totalled 67,728,214 pounds as against 74,291,081 a year ago and 67,424,047 two years ago.

Canada's Position in the United Kingdom
Market with Certain Products

Canada was in second position in the United Kingdom market with wheat during the first three months of 1937 with 8,785,176 cwt. The Argentine was first with 10,045,953 cwt., Australia third with 4,362,802 and British India fourth with 739,998. Canada was first in the United Kingdom market during the first three months of 1936 with 11,604,111 cwt. followed by Australia with 6,019,312, France 2,715,881 and the Argentine 431,830.

Canada was fifth in barley with 21,466 cwt., Iraq being first with 1,636,994 cwt., followed by the Argentine with 543,783 cwt., Australia 295,710 and Roumania 256,180.

Canada supplied 310,575 cwt. of oats out of a total of 332,739.

Canada was first in wheat meal and flour with a total of 956,422 cwt., Australia second with 921,320 and France third with 205,021.

Canada was second in all grains and flour with a total of £5,856,044, Argentina being first with £9,888,549, Australia third with £2,869,045, Iraq fourth with £661,346 and British India fifth with £544,102.

Canada was second in bacon with 387,510 cwt., Denmark being first with 851,732, the Netherlands third with 123,227 cwt., and the Irish Free State fourth with 112,129. During the first three months of 1936 Canada was in second place with 239,949 cwt. and Denmark first with 852,020.

Canada was first in hams with 79,504 cwt. and the United States second with 57,062. During the first quarter of 1935 Canada was in second place with 47,957 cwt., the United States being first with 79,587.

Canada was fifth in all meats with £1,994,188, Argentina being first with £4,840,692, Denmark second with £3,650,386, Australia third with £2,693,836, New Zealand fourth with £2,657,837.

Canada was 18th in combined dairy products with £44,537. The leaders were in order: New Zealand, £5,567,578; Denmark, £3,586,593; Australia, £1,936,732; Netherlands, £1,364,992; China, £630,015.

Canada was first in fresh apples with 445,203 cwt., and the United States second with 385,898. The total imported by the United Kingdom during the three months was 875,306 cwt.

Canada was third in fresh and frozen fish with 30,175 cwt., Norway being first with 369,370 and Denmark second with 54,173.

Canada was third in canned salmon with 44,896 cwt., Japan being first with 133,057 and the United States second with 61,508.

Canada supplied 866 cwt. of canned lobsters out of a total of 1,096.

Canada was second in lard with 84,257 cwt., the United States being first with 99,010 cwt., Argentina third with 57,311.

Canada was second in tobacco with 5,454,905 lb., the United States being first with 31,022,843, British India third with 1,071,180 and Southern Rhodesia fourth with 318,845. Values: United States, £2,235,415; Canada, £393,491; British India, £26,373 and Southern Rhodesia £11,702.

Canada was first in wood and timber of all kinds with a value of £1,990,498, United States second with £1,087,782, Poland third with £969,384, Sweden fourth with £763,959, Finland fifth with £573,510, British India sixth with £318,035.

Canada was fifth in iron and steel and manufactures thereof with a value of £245,250, Sweden being first with £442,233, Belgium second with £372,174, Germany third with £365,835, France fourth with £263,287.

Canada was third in aluminium and aluminium alloys with a value of £21,236, Switzerland being first with £94,563, and Norway second with £27,062.

Canada was first in unwrought copper with a value of £1,116,776, the United States being second with £471,342, and Northern Rhodesia third with £423,526.

Canada was second in load with 21,525 tons, Australia being first with 38,045, British India third with 12,516 and Mexico fourth with 10,750.

Canada supplied 57,108 tons of nickel out of a total of 73,103.

Unwrought zinc totalled 41,811 tons, Canada taking first place with 16,440 tons, Belgium being second with 16,147.

and
Canada was first in non-ferrous metals/manufactures thereof with a value of £2,876,844, Chile second with £1,231,390, Australia third with £1,202,785 and Northern Rhodesia fourth with £1,005,591.

Canada was second in manufactures of wood and timber with a value of £227,605, Finland being first with £403,178, and the Soviet Union third with £204,175.

Canada was first in box and willow calf leather with £104,112, followed by Germany with £64,597, Netherlands £20,939 and Hungary £20,262.

Canada was first in patent leather with £62,846 out of a total of £79,009.

Canada was second in leather and manufactures with £249,499, British India being first with £1,322,825 and Germany third with £194,162.

Canada was second in newsprint in rolls with 440,993 cwt., Newfoundland being first with 484,349 and Finland third with 377,302 cwt.

Canada was second in vehicles of all kinds with a total of £167,909, the United States being first with £1,166,187, Germany third with £143,580 and France fourth with £94,763.

Commercial Failures in Canada

The number of commercial failures in Canada during the first quarter of 1937 reached the lowest point in any year during the period of observation from 1922 to the present. Assignments in the latest period were 258 as against 338 during the same period of 1936 and 361 during the corresponding period of 1935. The defaulted liabilities during the 1937 period were \$3,137,000 against \$4,483,000 in the first quarter of 1936 and \$3,658,986 during the same period of 1936. Each of the provinces showed a decrease from last year.

The decline in failures in trade was from 152 to 137 in the first quarter of 1937. Forty-three manufacturing firms defaulted against 63 last year. The failures among service firms declined from 48 to 40 and the miscellaneous group receded from 60 to 27. General betterment was consequently shown in the four main groups of the official classification.

Motor Vehicle Registrations

The revenues from motor vehicle registrations and gasoline tax in Canada during 1936 were \$60,165,279, an increase of \$5,541,656 over 1935. Motor vehicle registrations accounted for \$25,632,843 as compared with \$23,090,978; gasoline tax totalled \$34,532,436 as against \$31,532,645. There were 1,240,124 motor vehicles registered during the year as compared with 1,176,116 in 1935, an increase of 64,008. The only province to record decreased registrations was Prince Edward Island, falling 7.3 per cent to 7,632.

The revenues collected from registrations and gas tax were as follows, by provinces, with 1935 figures in brackets: Prince Edward Island, \$312,745 (\$282,438); Nova Scotia, \$3,008,045 (\$2,438,987); New Brunswick, \$2,043,626 (\$1,853,120); Quebec, \$12,219,637 (\$11,219,167); Ontario, \$26,924,028 (\$24,405,547); Manitoba, \$2,980,700 (\$2,711,856); Saskatchewan, \$3,427,774 (\$3,344,666); Alberta, \$4,103,052 (\$2,614,381); British Columbia, \$5,142,433 (\$4,750,659); Yukon, \$3,189 (\$2,802).

Births, Deaths and Marriages

Births registered in 67 cities and towns of Canada having 10,000 population and over numbered 6,899 during April, deaths 4,582 and marriages 2,626, as compared with 6,634 births, 4,564 deaths and 2,519 marriages in April last year.

May Employment Situation

Employment at May 1 showed a pronounced increase, according to data tabulated from 10,089 firms whose staffs aggregated 1,011,474 persons, or 32,155 more than in the preceding month. On May 1, 1936, there were 9,544 firms employing 939,409 persons. Manufacturing reported improvement at the date under review, mainly in the food, lumber, pulp and paper, textile and iron and steel divisions. With the exception of logging and coal-mining (which showed seasonal curtailment) the non-manufacturing industries also afforded considerably more employment; the gains in construction were especially pronounced, being the largest recorded at May 1 in any year since 1930, and greatly exceeding the average for the same date in the period 1921-1936. There were also marked increases in transportation, with smaller gains in communications, services and trade and in the extraction of metallic ores and of non-metallic minerals except coal.

Wheat Stocks and Movement

Canadian wheat in store on May 28 amounted to 58,088,044 bushels as compared with 60,688,822 the week before and 168,567,181 on the corresponding date last year. Wheat in rail transit amounted to 2,115,174 bushels as against 6,745,132 in comparison with 1936; wheat in transit on the lakes totalled 3,062,988 as against 3,654,847. Canadian wheat in the United States amounted to 7,267,368 bushels as compared with 7,861,513 a week ago and 13,286,506 a year ago.

Wheat marketings in the Prairie Provinces for the week ending May 21 amounted to 893,005 bushels compared with 896,999 the week before and 1,230,150 during the same week last year. Total marketings during the forty-two weeks ended May 21 were 157,057,873 bushels as compared with 201,164,971 during the same period of the previous crop year.

Overseas export clearances of wheat during the week of May 28 amounted to 2,655,549 bushels as compared with 3,484,283 the week before and 5,378,134 during the corresponding week last year; imports of Canadian wheat into the United States for consumption and milling in bond for re-export in the latest week totalled 298,000 bushels against 471,000 in the previous week and 401,000 bushels a year ago. Clearances from August 1 to May 28 totalled 125,430,779 bushels against 135,002,060 during the same period of the previous crop year; imports of Canadian wheat into the United States aggregated 39,519,641 bushels as against 40,274,554.

Reports Issued during the Week

1. Stocks of Butter, Cheese and Eggs in Principal Cities, June 1.
 2. Registrations of Motor Vehicles, 1936.
 3. Revenues from Motor Vehicle Registrations and Gasoline Tax, 1936.
 4. Weekly Index Numbers of Wholesale Prices.
 5. Monthly Wholesale Trade, April.
 6. Monthly Retail Sales in Country General Stores, April.
 7. Retail Sales in Canada, April.
 8. Hospital Directory, 1935.
 9. Canadian Grain Statistics.
 10. Canadian Milling Statistics, April.
 11. Production of Processed Cheese, 1936.
 12. Stocks and Consumption of Unmanufactured Tobacco.
 13. Commercial Failures, March.
 14. Telegraphic Crop Report, Canada.
 15. Births, Deaths and Marriages, April.
 16. Advance Report of Quebec Fisheries, 1936.
 17. Employment Statistics, May.
 18. Security Prices and Foreign Exchange.
 19. Car Loadings on Canadian Railways.
 20. Consumption of Coko in Canada, 1935.
 21. Chemicals and Allied Products, 1936.
 22. Output of Central Electric Stations, April.
 23. Production of Iron and Steel, April.
 24. Monthly Review of Business Statistics, May.
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