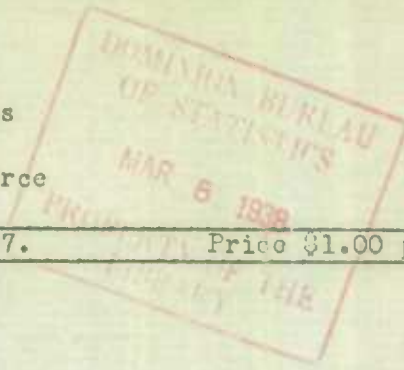


WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce



Vol. V - No. 28.

Ottawa, Saturday, July 10, 1937.

Price \$1.00 per year

The Economic Index was Practically Maintained
from the Preceding Week and Showed a Gain of
1.1 p.c. over the Same Week of 1936

Owing to the considerable gain in factors representative of business conditions, the economic index was nearly maintained in the week of July 3, as compared with the preceding week. The standing was 108.1 against 108.3, resulting in a recession of 0.1 p.c. Carloadings and wholesale prices recorded advances and the index of capitalized bond yields remained unchanged. The other factors including bank clearings, common stock prices and speculative trading showed declines. The setback in common stock prices was limited to one-half of one per cent, the index standing at 127.7 against 138.2. The adjusted index of bank clearings showed a recession of slightly more than 4 p.c., while the decline in the number of shares trade was of greater proportions.

Owing to the gain in three of the six major factors, the economic index at 108.1 showed a gain of 1.1 p.c. over 107.0, the standing in the week of July 4, 1936. Business factors exerted a marked constructive influence, carloadings showing a gain of nearly 8 p.c., while the rise in wholesale prices was no less than 18.4 p.c. Both of those factors continued to show a lead over the corresponding weeks of 1936, a condition which has persisted since the beginning of the year.

The advance in wholesale prices which commenced in June of last year, had continued without important interruption until the early part of April. Moderate reaction was shown in the level from that time until toward the end of June. Last week, however, due mainly to advances in grain prices, a marked rally was indicated and a great part of the recession of preceding weeks was counterbalanced. High-grade bonds have remained steady for about five weeks following the rebound of May. Due to the rapid advance in government bonds during the first nine months of last year, a considerable deficit is now being shown from the standing in the same week of that year. The index of capitalized bond yields receded from 151.3 in the week of July 4, 1936, to 144.7 in the week under review, a decline of 1.4 p.c. Common stock prices receded further during the week under review and the lead over the same week of 1936 was reduced to about 11 p.c. During the present week, a stronger tone has prevailed and many of the stocks listed on the Canadian exchanges have moved into higher ground.

The index of carloadings in the Western division showed a marked gain in the 25th week of the year, resulting in an advance in the Dominion index from 77.5 to 78.5. The deficit in the grain movement during the first 25 weeks of the year was 28,279 cars, from the same period of 1936. Declines were also shown in coal and coke, while the remaining groups of the official classification recorded advances. The largest increases were shown in miscellaneous commodities, l.c.l. merchandise, forest products and ore.

The marked gain in grain prices, due to adverse weather conditions in Western areas, was the main interest in raising the general index of wholesale prices. No. 1 Manitoba wheat advanced from 127 $\frac{5}{8}$ in the preceding week to 142 $\frac{5}{8}$ in the week under review. Marked gains were also recorded in each of the coarse grains.

The price of medium steers receded on the Toronto stockyards, while a further gain was shown in bacon hogs which advanced from 9.41 to 9.67. Metal prices were steady on the New York metal exchange although tin showed a minor advance from 57 $\frac{1}{2}$ to 57 $\frac{1}{2}$. Metals were strong on the London metal market, the price of electrolytic copper having been £63 on July 6, against £61 on June 29. Lead was £24 11s 3d against £23 12s 6d, while zinc moved up from £21 13s 9d to £22 8s 6d. In the week of July 2, the Canadian non-ferrous metal group showed minor recession from 85.0 to 84.9, reductions in copper products and zinc offsetting a rise in tin. The rise in the general index from 84.8 to 86.2 was mainly occasioned by the gain in crop products for which the standing was 91.5 against 86.9 in the preceding week. Minor declines were shown in animal products and non-ferrous metals, while other main groups of the component material classification were unchanged.

Common stock prices receded for the third consecutive week, dropping to a new low point for the present year. The index of 96 stocks was 127.7 against 128.3. During the present week, a rally is in progress. Some of the declines in the last week of June have already been counterbalanced. Milling, food and industrial mines showed slight gains in the last week of June over the preceding week, but a majority of the industrial groups showed recessions. The index of 15 power and traction stocks was 83.4 against 83.6, and

a recession was shown in the index of nine bank stocks. Mining stocks, on the other hand, showed appreciation, the general index of 24 stocks moving up from 130.1 to 134. The comparison with the same week of 1936 continued favorable, the index standing nearly 11 p.c. higher than at that time.

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 |
|---------------|---------------------------|------------------|--|-----------------------------|-------------------------|---------------|-----------------------------|
| July 4, 1936 | 72.7 | 72.8 | 151.3 | 94.5 | 115.2 | 136.2 | 107.0 |
| June 26, 1937 | 77.5 | 84.8 | 144.7 | 93.4 | 128.3 | 85.8 | 108.3 |
| July 3, 1937 | 78.5 | 86.2 | 144.7 | 89.6 | 127.7 | 73.2 | 108.1 |

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.

Gain in External Trade over May, 1936

The expansion in productive operations during the last twelve months was due in large measure to the acceleration in external trade. The export trade of the Dominion recorded a gain of nearly 19 p.c. over May of last year, several exceptional causes contributing to this result. One factor was the continuance of the economic recovery in most of the principal countries for which information is available. With facilities for the production of mineral and other natural products on a large scale, Canada is in a position to share fully in the revival of international trade. Economic conditions in other countries, especially in Great Britain and the United States, have a marked influence on the domestic position. The prosperity in any one country tends to spread to others through the channels of trade, banking and investment and it is consequently natural that the fluctuation in the export trade should slightly precede or coincide with the fluctuation in business operations in Canada.

Despite the decline of 21 p.c. in the exports of crop products, the total value of all commodities increased nearly 19 p.c. in May over the same month of last year. The exports of non-ferrous metals was not far from doubled over May 1936, and in the month under review led all other groups of the component material classification. Part of the gain was due to the greater export of non-monetary gold of which the export in May last was valued at \$9,656,000 against \$3,084,000 in the same month of 1936. However, the additional net earmarkings for external account with the Bank of Canada then amounted to more than \$4 million, which figure for the purposes of comparison might well be credited to the export account of May last year. The wood and paper group occupied second place showing a gain of nearly 28 p.c. over the same month of 1936.

The percentage gain in imports was even greater than in exports, the total value being up nearly 30 p.c. The greatest increase was in iron and its products which rose to 21.9 millions from 14.4 millions, a gain of 52 p.c.

Gains both in exports and imports were recorded over May 1936, in each of the nine main groups, the single exception being the decline in exports of crop products due in part to the present low level of Canadian wheat stocks. (Table on page 3).

Cost of Living

Seasonal reductions in coal and coke prices, and a slight recession in the average level of food prices resulted in a decline in the general cost of living for Canada from 82.8 in May to 82.6 in June. Retail prices of foods fell from 76.6 to 76.4, advances for lard, bread, onions and a number of meats being more than offset by declines for Grade "A" eggs, milk, butter and potatoes. A reduction in the coal sub-group from 86.3 to 82.9, and in that for coke from 87.5 to 86.0, resulted in a downward movement in the fuel index from 86.1 to 84.2. The sundries group remained unchanged at 92.6 despite a slight rise in motor operating costs from 92.1 to 92.3, due to higher prices for tires and gasoline.

Imports and Exports in May 1937
compared with May 1936

| | May 1937 | May 1936 | Increase or Decrease |
|--------------------------------------|----------|----------|----------------------------|
| | \$000 | \$000 | Per cent |
| Total imports | 76,707 | 59,121 | + 29.7 |
| Vegetable products | 14,332 | 12,328 | + 16.3 |
| Animal products | 2,781 | 2,180 | + 27.6 |
| Textiles | 10,377 | 7,867 | + 31.9 |
| Wood and paper | 2,794 | 2,199 | + 27.1 |
| Iron and its products | 21,863 | 14,351 | + 52.3 |
| Non-ferrous metals | 4,383 | 3,592 | + 22.0 |
| Non-metallic minerals | 12,292 | 10,287 | + 19.5 |
| Chemicals | 3,659 | 3,201 | + 14.3 |
| Miscellaneous | 4,227 | 3,117 | + 35.6 |
| Total exports of Canadian produce .. | 99,497 | 83,820 | + 18.7 |
| Vegetable products | 21,470 | 30,246 | - 21.0 |
| Animal products | 11,363 | 9,785 | + 19.2 |
| Textiles | 1,203 | 1,050 | + 14.6 |
| Wood and paper | 21,094 | 16,971 | + 27.8 |
| Iron and its products | 5,199 | 4,745 | + 9.6 |
| Non-ferrous metals | 31,352 | 16,032 | + 95.6 |
| Non-metallic minerals | 2,744 | 1,668 | + 64.5 |
| Chemicals | 2,456 | 1,787 | + 37.4 |
| Miscellaneous | 1,717 | 1,537 | + 11.7 |

International Trade in Securities

The volume of Canada's international trade in securities declined sharply in May in comparison with the previous month, but was somewhat higher than in the corresponding month of 1936. The trade in the latest month aggregated \$54,753,000 as compared with \$117,529,000 the month before and \$38,694,000 in May, 1936. The decline in May, 1937, parallels a decline recorded in May 1934, 1935 and 1936, though in those years it was less pronounced.

Total sales to other countries during the month were \$26,266,000 as compared with \$52,943,000 in April and \$16,993,000 in May, 1936; purchases totalled \$28,457,000 against \$64,587,000 in the previous month and \$21,701,000 in May, 1936. Canadian and United States securities constituted about 93 per cent of the volume of trade. Canadian securities comprised about 55 per cent of the total sales as well as of the total purchases. United States securities were about 40 per cent of total sales and 37 per cent of total purchases.

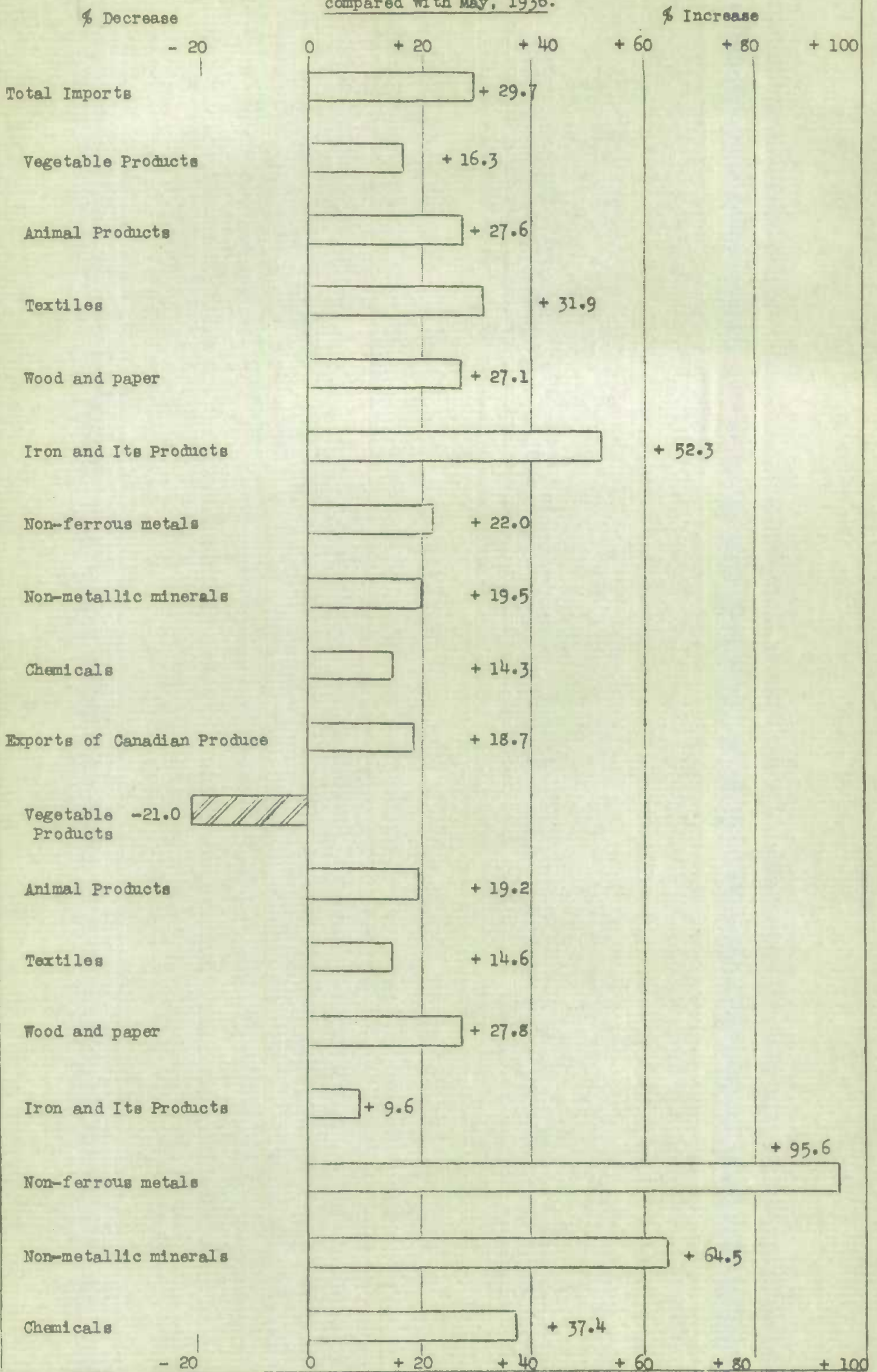
United Kingdom Trade in May

Imports into the United Kingdom during May were of the value of £83,131,000, an increase of £13,995,000 or 20 per cent over the corresponding month last year, according to "Trade and Navigation of the United Kingdom." Domestic exports were 17½ per cent in advance of May, 1936, the total being £42,733,000 as compared with £36,396,000, while the export of foreign produce totalled £7,393,000 in comparison with £5,635,000. The value of the goods transhipped under bond, which are excluded from the records of both imports and exports, was £2,864,000 or £956,000 more than in May, 1936.

The imports of bullion and specie amounted to £12,959,000 against £22,418,000 last year, of which £6,448,744 was imported from the Union of South Africa, £1,692,000 from the Soviet Union, £1,734,859 from British India, £467,675 from Australia, £427,536 from Southern Rhodesia, £342,298 from British West Africa, and £279,696 from the Netherlands. Exports of bullion and specie were £22,227,000 as compared with £9,462,795; the amount to the United States was £20,429,475, British India £481,374, Germany £371,880 and Belgium £339,800.

Percentage Change of Imports and Exports for May, 1937

compared with May, 1936.



Canada's External Trade in May

Canada's total trade in May amounted to \$178,284,089 compared with \$143,636,306 in May, 1936, an increase of \$34,647,783 or 24.1 per cent. Imports amounted to \$76,707,454 compared with \$59,120,840, an increase of \$16,586,614 or 29.7 per cent, and domestic exports \$99,497,353 as against \$83,819,757, an increase of \$15,677,602 or 18.7 per cent, while re-exports totalled \$2,079,282 compared with \$695,715, an increase of \$1,384,567 or 198.9 per cent.

Customs Duties in May

Customs duties collected in May amounted to \$9,360,519 as against \$8,100,861 in May, 1936, an increase of \$1,259,658 or over 15 per cent.

May Balance of Trade

May exports exceeded imports by \$24,869,181. A year ago the balance was \$25,394,626, while in May, 1935, it was \$11,805,125.

Wholesale Trade in May

Improvement in dollar volume of wholesale trade in May this year compared with last, while less marked than that recorded in the corresponding comparisons for the four preceding months, was still substantial, according to monthly statements received from about 200 wholesale houses in nine different lines of trade. Aggregate sales of these wholesale merchants averaged 11 per cent higher this May than last, while corresponding ratios for earlier months are 16 per cent for April, 20 per cent for March, 13 per cent for February and 14 per cent for January.

All sections of the country shared in the improvement over last year. Figures for the various business groups show increases over May, 1936, ranging from eight per cent for the grocery trade to 17 per cent for the hardware trade. Other percentage gains were as follows: fruits and vegetables, 15 per cent; automotive equipment, 15; tobacco and confectionery, 13; footwear, 12; dry goods, 12; clothing 9, and drugs 8 per cent.

Country General Store Sales

Sales of general merchandise in small towns and rural areas for May were eight per cent higher in dollar volume than for May, 1936, according to returns submitted by some 550 general stores located in all sections of the country. Marked improvement was reported for Quebec where sales were 16 per cent higher than a year ago. The Maritime Provinces came next with a gain of 12 per cent. Ontario sales averaged nine per cent better but wide variations for different sections of the province were recorded. Manitoba reported an increase of seven per cent and British Columbia showed an improvement of eight per cent. Sales in the Northern portion of Saskatchewan were five per cent higher than a year ago while in Southern Saskatchewan and in both Northern and Southern Alberta, value of rural trade remained unchanged from a year ago.

Slaughtering and Meatpacking

The value of the products sold by slaughtering and meat packing plants during 1936 was approximately \$19,810,000 in advance of sales made in 1935, the total being \$153,189,338 as compared with \$133,379,312. British Columbia was the only province to record a decline from 1935. Ontario led with total sales of \$63,362,786; Quebec, \$27,699,326; Manitoba, \$26,699,357; Alberta, \$17,675,161; Saskatchewan, \$8,040,858; British Columbia, \$8,036,206; Maritimes, \$1,675,644.

Fresh beef was by far the largest item, in both volume and value; the amount sold was 454,499,812 pounds worth \$33,561,496; fresh pork was next with 149,397,820 pounds at \$19,243,490. Veal totalled 65,570,516 pounds worth \$5,777,930, mutton and lamb, 36,430,406 at \$4,852,683 and poultry sold fresh, 12,633,686 at \$2,627,194. Amongst the cured meats, bacon and sides led with 121,799,893 lb., sausage 49,308,947, salt pork 48,798,902, hams 42,850,957, shoulders 24,887,972. Cooked meats amounted to 17,541,253 lb., lard 52,903,050 and shortening 83,309,355 lb.

Canada's Trade with Australia

The trend of Canada's trade with Australia has been upward since 1931, in which year the total was \$11,405,430. Each succeeding year saw a recorded betterment, with the result that during the fiscal year 1937, the trade between Canada and Australia reached record proportions of \$36,460,456, increasing \$5,165,917 over the previous year. All-time peaks were touched in the value of imports and domestic exports, the former totalling \$9,470,000 as compared with \$7,277,000 in 1935-36, and the latter \$26,958,000 against \$23,974,000. The export of foreign produce was worth \$32,533 compared with \$43,346. In the case of imports and domestic exports the figures for 1935-36 were the second largest ever recorded.

Per Capita Consumption of Certain Foods

There was a higher per capita consumption of pork in Canada during 1936 than any other kind of meat, according to an estimate made by the Dominion Bureau of Statistics. The per capita consumption was 67.83 lb. compared with 75.02 in 1933; beef and veal, 60.34 (55.50); mutton and lamb, 5.93 (6.14). The per capita consumption of hens and chickens was 16.05 lb. as compared with 11.07 in 1933; turkeys, 1.45 (1.68); ducks, 0.29 (0.43); geese, 0.63 (0.82). The average consumption of butter rose from 30.18 lb. in 1933 to 31.42 in 1936; eggs fell from 22.68 dozen to 21.66 and cheese from 3.39 to 3.37.

Food Chains in Canada

A moderate improvement in the business transacted by food chains in Canada last year is reflected in preliminary compilations for the Annual Census of Merchandising Establishments. These show that sales for 1936 of 90 chain companies specializing in the retail distribution of groceries and meats exceeded by six per cent the amount recorded for 86 similar organizations in 1935. The 90 chain companies in Canada last year operated 2,341 stores with \$111,560,900 sales while the 86 companies in 1935 had 2,309 stores and \$105,635,900 sales. Sales per store averaged \$49,938 or about six per cent higher than in 1935 although still 13 per cent below the 1930 average.

Excepting only in Manitoba where a slight recession of one per cent was recorded, increases in food chain sales were reported in all provinces, in comparison with 1935. The totals were as follows, with percentage changes in brackets: British Columbia, \$10,808,000 (+6.5); Alberta, \$5,589,900 (+6.5); Saskatchewan, \$5,004,100 (+9.8); Manitoba, \$4,765,100 (-1.0); Ontario, \$60,133,200 (+6.4); Quebec, \$19,579,800 (+4.1); Maritime Provinces, \$5,680,800 (+2.5).

Export of Clocks, Watches and Parts

The export of clocks, watches and parts from Canada has been on the increase since the fiscal year ending March, 1932, when the total was \$126,107; during the fiscal year 1937, the total was \$416,885, which tops any previous year. During 1929, the first year for which complete statistics are available, the export was worth \$232,371. From that year until 1932, the United Kingdom was the chief purchaser. In 1933, Australia took the lead and has remained in first place ever since, taking \$245,900 in 1937. Other chief buyers in 1937 were as follows, with 1936 figures in brackets: United Kingdom, \$70,651 (\$60,589); New Zealand, \$67,122 (\$45,819); Newfoundland, \$11,565 (\$5,022); Ceylon, \$9,124 (\$6,890); and the United States, \$3,287 (\$1,425).

Eggs for Export

The producing of eggs for export seems to offer possibilities in Canada. The eggs produced on Canadian farms were worth over \$40,000,000 last year. Some years ago the value was about \$70,000,000. In 1902 the value of Canada's export of eggs was nearly \$2,000,000. It rapidly increased until 1910, when eggs had to be imported from Russia and China. During the War years the export again increased. The number in 1916 was 16 million dozen, rising from three million in 1913. It was down to less than two million last year. The farm eggs industry brings more returns financially than the fishing industry, and there is poultry meat in addition.

Wheat Stocks in Store

Canadian wheat in store for the week ending July 2 decreased 2,641,257 bushels compared with the previous week and 100,789,092 when compared with the corresponding week of 1936. The total was 43,010,234 bushels compared with 45,651,491 in the previous week and 143,779,326 a year ago. Wheat in rail transit amounted to 2,627,720 bushels compared with 8,846,410 a year ago; wheat in lake transit amounted to 1,144,277 bushels against 875,296. Canadian wheat in the United States amounted to 5,314,614 bushels compared with 5,538,018 a week ago and 15,287,480 last year.

Primary Movement of Wheat

Wheat marketings in the Prairie Provinces for the week ending June 25 amounted to 722,270 bushels, compared with 701,993 in the previous week and 1,654,909 a year ago. Marketings during the forty-seven weeks ended June 25 totalled 161,924,486 bushels compared with 211,414,383 during the same period of the previous year.

Reports Issued During the Week

1. Estimated Consumption of Meats in Canada, 1936.
 2. Preliminary Statement of Stocks of Butter, Cheese and Eggs, July 2.
 3. Monthly Bulletin of Agricultural Statistics, May.
 4. Summary of the Trade of Canada, April.
 5. Monthly Review of Business Statistics, June.
 6. Weekly Index Numbers of Wholesale Prices.
 7. Food Chains in Canada, 1936.
 8. Telegraphic Crop Report, Prairie Provinces.
 9. Canadian Grain Statistics.
 10. Car Loadings on Canadian Railways.
 11. Canadian Milling Statistics, May.
 12. Production of Slaughtering and Meat Packing Plants, 1936.
 13. Retail Sales in Canada, May.
 14. Retail Sales in Country General Stores, May.
 15. Advance Report on the Fisheries of Canada, 1936.
 16. Monthly Wholesale Trade, May.
 17. Index Numbers of Security Prices and Foreign Exchange.
 18. Trade of Canada by Months, April 1934 to May, 1937.
 19. Price Movements, June.
 20. Canada's Monthly Trade Trends, June - May, 1934 to 1937.
 21. Sales and Purchases of Securities Between Canada and other Countries, May.
-

STATISTICS CANADA LIBRARY
BIBLIOTHÈQUE STATISTIQUE CANADA



1010730113