

## WEEKLY BULLETIN

Dominion Bureau of Statistics

Department of Trade and Commerce

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The Economic Index Declined 1.6 p.c. from the  
Preceding Week but Still Showed a Gain of 1.2 p.c.  
Over the Same Week of Last Year

As three of the six major factors showed decline from the preceding week, the economic index receded from 112.3 to 110.5. The striking development of the week was the decline in wholesale prices occasioned by a sharp reaction in grain. Carloadings, owing to the heavier traffic in the Eastern division, were practically maintained, the index standing at 81.8. High-grade bonds recorded minor gains, the index of capitalized bond yields advancing 0.3 p.c. Cheques cashed by the branch banks were at a considerably lower level than in the preceding week and a decline in the adjusted index of bank clearings had an important influence in depressing the economic index. Stock markets were relatively strong, the index of 96 stocks advancing one point to 134.7. The turnover of stocks on the exchanges was slightly greater than in the preceding week, the index advancing nearly one p.c.

Despite the recession in the week under review, the economic index continued to show a lead over the same period of 1936. The gap was narrowed by the declining trend which lasted for five months ending in June. Since that time, the indexes for the two years have been close together. The index in the week under review was 110.5 compared with 109.2 in the same week of last year, a gain of 1.2 p.c. Four of the six major factors recorded advances in this comparison. Exceptions were the capitalized index of bond yields and shares traded. The business factors consisting of carloadings and wholesale prices continued to show an excellent advance over the same period of last year. The gain in carloadings was practically nine p.c., the index standing at 81.8 against 75.1.

Despite the reaction of the last two weeks, wholesale prices continued to show a marked gain over the same period of 1936. This lead is large, despite the upward movement which was in progress at this time last year. The index in the week under review was 86.7 against 75.4, a gain of 15 p.c. High-grade bond prices have been remarkably steady for nine weeks. The level of the index of capitalized bond yields, however, was 6.4 p.c. below the standing of the same week of 1936. A marked advance took place during the first nine months of last year, a maximum for many years having been reached in September. The high level of last year accounts for the unfavorable comparison with the present standing. Common stock prices, on the other hand, showed a significant gain over the same period of last year, the index having been 134.7 against 115.8, a gain of 16.3 p.c. Each of the groups in the official classification except oils and transportation, showed gains over last year.

The railway freight movement was relatively heavy in the week under review. The traffic movement in the first 29 weeks was nearly 1,386,000 cars, a gain of 123,500 over the same period of last year. While grain products recorded a considerable decline, marked increases were shown in miscellaneous commodities, l.c.l. merchandise and other important groups.

The price index of 567 commodities receded from 87.6 in the preceding week to 86.7 in the week of July 30. A marked decline was shown in crop products, while recessions appeared in three other main groups. Animal products was the only group to show an advance over the preceding week. The reaction in grain prices was severe, No. 1 Northern wheat averaging 139½ against 146. The advance in rye continued while the other coarse grains showed pronounced decline. Metals were steady on the New York metal exchange although tin recorded a recession from 59.13 to 58.75. Electrolytic copper was £64 15s on August 4, against £65 on July 28. A gain was recorded in zinc, while lead showed recession. Export copper at New York was quoted at 14.62½ against 14.35 on July 28. Lead advanced from 6.00-6.05 one week ago to 6.25-6.30. The Canadian index of non-ferrous metals eased from 85.7 to 85.6 when reductions in lead and tin proved of more importance than increases in copper and zinc.

The turnover of long-term bonds continued light and price changes were insignificant. The bid quotation for the 3's of 1950-55 rose from 96 3/8 on July 27 to 96½ on August 3. The average yield of the issues was 3.29 against 3.30 for the preceding week. Common stock prices were relatively strong in the week of July 29, each of the industrial groups except machinery, paper and milling recording advances. The utility groups advanced to slightly higher territory, the index of 15 power and traction stocks having been 90.1 against 88.3. Mining stock prices averaged lower than in the preceding week, recessions having been shown in golds and base metals.

Weekly Economic Index with the Six Components  
1926=100

Week Ended	Car load-ings <sup>1</sup>	Wholo-sale Prices	Inverted Index of Bond Yields <sup>2</sup>	Bank Clear-ings <sup>3</sup>	Prices of Common Stocks	Shares Traded	Economic Index <sup>4</sup>
Aug. 1, 1937	75.08	75.4	155.3	93.0	115.8	174.0	109.2
July 24, 1937	81.78	87.6	144.9	103.7	133.7	109.0	112.3
July 31, 1937	81.77	86.7	145.3	93.2	134.7	110.0	110.5

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.

Wheat Stocks and Movement

Canadian wheat in store for the week ending July 30 decreased 1,910,852 bushels compared with the previous week and 87,485,638 from the corresponding week last year. The amount in store was 33,285,281 bushels compared with 35,196,133 a week ago and 120,770,919 on July 31, 1936. Wheat in rail transit amounted to 1,364,211 bushels compared with 2,456,566 on the same date last year; wheat in transit on the lakes totalled 1,542,782 bushels compared with 2,842,251. Canadian wheat in the United States amounted to 4,111,290 bushels compared with 4,753,345 a week ago and 19,277,230 on the same date last year.

Wheat marketings in the Prairie Provinces during the week ending July 23 amounted to 704,700 bushels compared with 864,740 in the previous week and 483,167 in the same week last year. Total marketings during the 51 weeks ended July 23 were 164,983,782 bushels compared with 215,572,354 in the same period of the previous crop year.

Overseas export clearances during the week ending July 30 amounted to 1,701,898 bushels compared with 1,970,485 in the previous week and 5,007,175 in the corresponding week last year. Total clearances during the crop year 1936-37 amounted to 145,419,889 bushels as compared with 173,208,493 in the crop year 1935-36.

Fruit Growing

In certain sections of Canada, the climate and soil are eminently adapted to fruit growing, and the Annapolis Valley, the Niagara Peninsula and the Okanagan district are world famous centres of fruit production.

Experimental shipments of apples from the Annapolis Valley were first made in 1861, but up to 1890 the annual production of apples by Nova Scotia rarely exceeded 100,000 barrels. After that there was a pronounced increase in acreage and production until two million barrels were harvested in 1919. Last year one and a half million barrels were produced.

In Ontario, where the commercial production of all varieties of fruit has reached its highest development, apples have been grown for about two centuries, but commercial orcharding has developed only during the last sixty years. The building of railways made the industry possible.

In British Columbia, commercial fruit growing is of comparatively recent origin, growth in production having been particularly rapid since 1910. From 1891 to 1921 the acreage expanded from six thousand to 43 thousand.

Last year the farm value of Canadian fruit production was over \$18,000,000. Half of that was due to apples, with strawberries second at almost \$2,000,000, raspberries third at over \$1,000,000.

## July Employment

The general industrial situation showed further marked improvement at the beginning of July, according to information received by the Dominion Bureau of Statistics from 10,271 employers, whose staffs aggregated 1,134,315 persons, as compared with 1,088,652 in the preceding month. This increase of 45,666 considerably exceeded that recorded at July 1, 1936, and was also decidedly greater than the average gain between June 1 and July 1 in the preceding sixteen years for which statistics are available. Reflecting this advance, the index, based on the 1926 average as 100, rose from 114.3 at June 1, to 119.1 at the latest date; this was higher than at the beginning of July in any other year of the record except 1929. The index, when adjusted for seasonal variation, also increased, standing at 114.9 at July 1, compared with 112.6 at the beginning of June of the present year.

The unadjusted indexes at July 1 in the seventeen years for which data are available are as follows: 1937, 119.1; 1936, 104.6; 1935, 99.5; 1934, 101.0; 1933, 84.5; 1932, 88.7; 1931, 103.8; 1930, 118.9; 1929, 124.7; 1928, 117.7; 1927, 109.7; 1926, 105.0; 1925, 98.0; 1924, 97.1; 1923, 100.7; 1922, 92.2 and 1921, 88.6.

Employment in manufacturing showed continued advances, contrary to the usual seasonal trend at July 1; the most marked gains over June 1 were in food, lumber and pulp and paper factories. Logging, mining (except of coal), communications, services, transportation, trade and construction and maintenance also indicated substantial improvement. The increase in each of these considerably exceeded the average gain indicated at July 1 in the years, 1921-1936. On the other hand, there were losses of a seasonal character in certain manufacturing industries, notably in leather, textile and iron and steel plants, while there was a minor decline in coal-mining.

The trend was decidedly upward in all five economic areas; the largest percentage increases occurred in the Maritime Provinces, but, numerically, those in Quebec and Ontario were greater. The index number of employment in each of the economic areas was higher than at the same date of last year, or of most years of the record. The number of persons employed by the reporting firms at July 1 was as follows, with figures for June 1 in brackets: Maritimes, 98,060 (88,038); Quebec, 328,614 (316,196); Ontario, 475,745 (462,573); Prairie Provinces, 132,494 (126,535); British Columbia, 399,405 (95,310).

## Manufacturing in Ontario

Ontario is the most important manufacturing province in the Dominion. This favourable position is not a recent growth, but has been maintained over a long period of years. In spite of the rapid industrial development in recent years in other provinces, such as Quebec, British Columbia and Manitoba, Ontario is maintaining a manufacturing production equal to that of the remainder of the Dominion. The gross value of manufactured products in Ontario which totalled \$1,423,562,474 in 1935, represents an increase of 13.4 per cent as compared with 1934. The number of firms reporting was 10,266 with a capital investment in fixed and current assets of \$2,064,194,151 compared with 10,322 firms with capital of \$2,063,721,375 in 1934. There were 281,438 persons employed who were paid a total of \$303,807,207 in salaries and wages compared with 259,621 persons with a total in salaries and wages of \$270,834,102 in 1934.

The automobile manufacturing industry leads all others in Ontario with a gross value of production of \$105,810,655 in 1935. Non-ferrous metal smelting was a close second with \$105,035,029; slaughtering and meat packing was next with \$56,932,181; central electric stations, \$53,535,095; flour and feed mills, \$51,760,071; pulp and paper, \$51,041,765; electrical apparatus and supplies, \$47,503,325; rubber goods, \$46,466,350; butter and cheese, \$44,221,126; auto supplies, \$32,278,008; hosiery and knitted goods, \$30,030,875; bread and other bakery products, \$29,204,032; printing and publishing, \$27,072,537; castings and forgings, \$26,209,691; fruit and vegetable preparations, \$25,971,236; primary iron and steel, \$25,268,288 and petroleum products, \$25,121,188.

## Retail Sales in Country General Stores in June

Retail sales of 530 country general stores in Canada showed an increase of almost nine per cent in dollar volume for June, 1937 as compared with the same month in 1936. This increase is in continuation of earlier gains of eight per cent for May, nine per cent for April and 14 per cent for March, compared with corresponding months last year. There were the same number of business days in June of both years.

### Canada's Trade

Canada's trade during the first three months of the current fiscal year recorded an increase of 27.6 per cent over the same period of the previous fiscal year, the total being \$486,603,436 as compared with \$381,357,954. Domestic exports were 23.6 per cent higher, amounting to \$272,491,818 as against \$220,424,781; while imports were up 31.7 per cent to \$209,262,200 from \$158,935,976. The export of foreign produce during the three months totalled \$4,849,418 against \$1,997,197. The duty collected amounted to \$25,689,464 compared with \$22,045,152 during the three months ended, June, 1936.

Canadian trade advanced 34.2 per cent in June in comparison with the same month last year, the total being \$184,526,027 as against \$137,540,468. The increase in domestic exports was 35.7 per cent to \$107,477,804 from \$79,181,200; the gain in imports was 31.4 per cent to \$75,668,684 against \$57,598,132. Re-exports were \$1,379,539 as against \$761,136. Duty collected on imports during June totalled \$8,736,510 as against \$7,790,480.

### Retail Sales in June

The unadjusted index of value of retail sales fell slightly from this year's high of 83.5 recorded for May and held at 81.4 for June, 1937. A gain of 10.1 per cent, however, was shown compared with June, 1936, when the index stood at 73.9.

After adjustments for number of working days and for normal seasonal variations, retail trade was better during June than for any other month of the year and was only slightly below December, 1936. The adjusted index numbers were 80.5 for June, 78.7 for May and 80.9 for last December.

Compared with June, 1936, advances were shown for twelve out of thirteen sub-indexes according to the unadjusted index numbers. Dyeing and cleaning establishments, music and radio stores and furniture stores reported very large advances in sales, the percentage gains over June, 1936, being 26.7 per cent, 26.6 per cent and 26.5 per cent, respectively.

### Liquor Control Revenue

The total Dominion revenue through the manufacture and sale of liquor during the fiscal year ended March 31, 1937, was \$22,901,664. This included excise and customs duties. The revenue in the fiscal year 1936 was \$20,946,576. Some years ago this revenue was much larger. In 1928 it was \$54,109,008; 1929, \$59,595,573; 1930, \$56,214,457.

The following were the gross sales by Liquor Control Boards by provinces in 1936 with the net revenue from liquor control in brackets: Nova Scotia, \$3,831,691 (\$996,087); New Brunswick, \$2,695,859 (\$782,742); Quebec, \$12,698,163 (\$4,868,400); Ontario, \$18,530,658 (\$8,189,816). In addition, sales of beer from breweries and brewers' warehouses totalled \$29,396,420, which amount should be taken into consideration in making comparisons with earlier years; Manitoba, \$3,726,056 (\$1,854,728); British Columbia, \$11,169,437 (\$3,061,829); Saskatchewan, \$5,735,355 (\$1,280,345).

### Reports Issued during the Week

1. Monthly Review of Business Statistics, July.
2. The Control and Sale of Liquor, Canada.
3. Monthly Trade Trends, June.
4. Butter, Cheese and Eggs in Cold Storage.
5. Telegraphic Crop Report, Prairie Provinces.
6. Weekly Index Numbers of Wholesale Prices.
7. Security Prices and Foreign Exchange.
8. Canadian Grain Statistics.
9. Trade of Canada, June.
10. Monthly Retail Sales in Country General Stores, June.
11. Retail Sales in Canada, June.
12. Monthly Indexes of Department Store Sales by Regions.
13. Car Loadings on Canadian Railways.
14. The Hardwood Distillation Industry, 1936.
15. July Employment Situation.
16. Manufacturing in Ontario, 1936.



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