

WEEKLY BULLETIN

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Review of Weekly Economic Conditions.

Four of the six major factors, showing the trend of economic conditions, recorded a decline in the week of October 23. A sharp increase was indicated in speculative trading while wholesale prices were maintained at the same level as in the preceding week. The adjusted index of carloadings receded $1\frac{1}{2}$ per cent, declines being shown in both divisions. Capitalized bond yields were practically maintained, the recession being limited to 0.1 per cent. Quotations for prominent issues remained unchanged on October 26, from the same day of the preceding week. The adjusted index of bank clearings showed a decline of 5 per cent, contrary to the marked advance in the index of shares traded. Common stock prices showed further decline in the week under review, the index at 102.2 against 108.1 showing a decline of $5\frac{1}{2}$ per cent.

Two of the six factors continued to show a lead over the same week of 1936. The business factors including carloadings and wholesale prices occupied a constructive position as compared with last year. The gains in these factors were 0.4 per cent and 10.1 per cent, respectively. Owing to the temporary reaction in bond prices at this time last year, the deficit in the index of capitalized bond yields was only 4 per cent from the same week of 1936. The speculative position is quite different from that of last year. During the last quarter of 1936, common stock prices showed a considerable advance. Speculative trading and the turnover of bank deposits were consequently heavy. Common stock prices have now shown a decline for 10 consecutive weeks and the standing of the index in the latest week was 21 per cent below that of the same week of last year. Marked declines were also shown in the index of bank clearings and of shares traded.

Appreciable declines were shown in the railway freight movement during the 41st week. The index of carloadings receded from 78.7 to 77.5, a decline of $1\frac{1}{2}$ per cent. The inactivity in the shipments of l.c.l. merchandise, coal and grain contributed to the decline from the preceding week. The total traffic movement in the first 41 weeks of the year was 2,067,000 cars, against 1,910,000 cars in the same period of 1936. Eight of the eleven commodity groups recorded gains in this comparison, the most important exception being grain and grain products with a decline of 72,427 cars. The surplus in miscellaneous commodities consisting mainly of manufactured goods was nearly 120,000 cars. L.c.l. merchandise showed the next greatest gain with a surplus of 24,900 cars.

The prices of commodities were uneven in the week of October 22. Advances counterbalanced declines and the general index remained unchanged from the preceding week at 84.7. A minor increase was shown in crop products, while a recession occurred in the animal products group. A minor gain was also shown in chemicals and allied products. The index of non-ferrous metals showed a decline from 77.5 to 76.6, as increases in antimony and lead were overshadowed by the reductions in copper, tin and zinc.

Wheat showed an advance on the Winnipeg exchange, No. 1 Manitoba averaging $147\frac{7}{8}$ against $139\frac{1}{4}$. Flax No. 1, N.W.C. recorded an increase of 3 cents to $178\frac{7}{8}$, while other coarse grains recorded recession. Livestock prices on the Toronto stockyards recorded decline, medium steers being down from 6.50 to 6.17, and bacon hogs from 9.13 to 8.49. On the New York commodity markets, cotton middlings receded from 8.18 to 8 cents, while print cloths were maintained at $4\frac{7}{8}$. Cotton sheeting, wool and worsted yarns showed declines from the preceding week. Lead and tin dropped to lower levels, while copper, zinc and silver were maintained. Lead was quoted at 5.50 against 5.75, and tin at $49\frac{5}{8}$ against $50\frac{7}{8}$. Metal prices were somewhat higher on the London exchange, electrolytic copper having been £49 on October 26, against £47 on the 19th. Lead advanced from £17 10s to £18 5s, and zinc from £16 8s 9d to £17. Raw silk was maintained on the New York commodity market, while cocoa beans receded from 6.20 to 5.95 cents per pound.

The general level of wholesale prices in Canada remains comparatively stable, the index number at the present time being somewhat above the levels of the latter part of June and the early part of September. The lead over the same week of last year was no less than 10 per cent.

The high-grade bond market exhibited firmness during the week under review. The index of capitalized bond yields was only 0.1 per cent below the preceding week and

quotations for leading issues were unchanged on October 26 from the same day of the preceding week. The bid quotation for the 4½'s of 1947-57 was unchanged at 108½ and the 4's of 1946 and the 4's of 1947-52 were quoted at 109 and 105, respectively, the same as on October 19. The index of capitalized yields was only 4 per cent below the same week of last year, the relatively good showing having been due to the temporary decline in bond prices at this time last year.

The reaction in common stock prices continued in the week of October 21, the index receding from 108.1 to 102.2, a decline of 5.5 per cent. The stock markets have shown a decline for 10 consecutive weeks contrasting with the advance which occurred at the same time last year. The net result was that the general index of common stock prices was in the week of October 21, 21 per cent below that of last year. Each of the groups in the official classification recorded declines from the week of October 14. The index of 15 power and traction stocks dropped from 72.8 to 67.6. The mining market was weak, the decline from 124 to 115.8 being due to the drop in golds and base metals.

The economic index based on six major factors with seasonal adjustment dropped from 106.5 to 105.5, a decline of 0.9 per cent. The index has now shown a declining trend for six weeks, the present standing contrasting with 116.2 in the week of September 4. The deficit from last year was 5.6 per cent when the standing was 111.9. The economic index showed a temporary decline in October last year due mainly to a recession in bond prices. A considerable lead is still shown by the economic index over the three years prior to 1936. The present standing, however, is lower than at any time since June of last year.

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
Oct. 24, 1936	77.2	76.9	149.5	106.9	129.3	317.8	111.9
Oct. 16, 1937	78.7	84.7	143.7	93.4	108.1	83.2	106.5
Oct. 23, 1937	77.5	84.7	143.5	88.7	102.2	216.2	105.5

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.

October Employment Situation

Industrial employment at the beginning of October showed a substantial improvement, according to statements received from 10,398 firms, whose staffs aggregated 1,197,657 persons, as compared with 1,174,296 in the preceding month. This increase of 23,351 workers is smaller than that noted at Oct. 1, 1936, but greatly exceeds the average gain indicated between Sept. 1 and Oct. 1, in the sixteen preceding years for which statistics are available. The crude index of employment advanced from 123.2 at Sept. 1, to 125.7 at the beginning of October; this was practically the same as at Oct. 1, 1929, when employment had reached its previous maximum for that date. After correction for seasonal influences, the index increased from 118.1 in the preceding month to 119.8 at Oct. 1, 1937, when it was higher than in any other month since the late summer of 1929,

The unadjusted index, on the 1926 base as 100 has been as follows at Oct. 1 in the seventeen years for which information is on record: 1937, 125.7; 1936, 110.1; 1935, 106.1; 1934, 100.0; 1933, 90.4; 1932, 86.7; 1931, 103.9; 1930, 116.2; 1929, 125.6; 1928, 118.8; 1927, 110.3; 1926, 106.5; 1925, 99.5; 1924, 95.0; 1923, 100.7; 1922, 95.8 and 1921, 91.3.

The outstanding feature of the Oct. 1 survey of employment was the unusually pronounced expansion in logging, in which the co-operating firms directly provided work for about 18,600 more men than at Sept. 1; this was a greater gain than at Oct. 1 in any other year for which data are available. Transportation, trade, mining and manufacturing

also recorded heightened activity. General improvement in building and highway construction was more than offset by losses in railway construction and maintenance, while the trend was seasonally downward in services.

The records show that for Oct. 1, 1936, 10,020 employers had reported payrolls aggregating 1,044,178 workers, or 28,529 more than at Sept. 1; the most marked improvement had then been in manufacturing and logging, although the trend was also favourable in most of the main industrial groups.

Firms in Quebec and Ontario showed considerable improvement, and there were smaller gains in Prince Edward Island and Alberta, but elsewhere the tendency was downward. In the Maritime and Central Provinces, the employment afforded by industrial concerns was at a higher level than at the beginning of October in any other year for which statistics are available; in British Columbia the index for Oct. 1, 1929, only was higher than at the latest date, while in the Prairie Provinces employment was rather quieter than at the beginning of October of last year, though it was more active than at Oct. 1 in 1932-1935.

Primary Movement of Wheat

Wheat marketings in the Prairie Provinces for the week ending October 22 amounted to 3,850,186 bushels compared with 3,339,873 in the previous week and 4,564,291 in the same week last year. During the twelve weeks ending October 22 there were 76,551,484 bushels received from the farms as compared with 117,180,743 in the same period of the previous crop year.

Wheat in Store

The amount of Canadian wheat in store on October 22 was 73,067,012 bushels as compared with 73,265,758 a week ago and 157,282,286 on the same date last year. Wheat in rail transit amounted to 5,197,469 bushels for the week of October 22 compared with 9,718,253 last year; wheat in transit on the lakes was 3,430,890 bushels compared with 6,800,782. Canadian wheat in the United States totalled 1,905,849 bushels compared with 1,755,000 the week before and 20,990,550 last year. United States wheat in Canada amounted to 1,792,944 bushels; last year there was none. The wheat stocks in the elevators in Canada were 71,151,261 bushels against 71,500,866 for the previous week and 136,577,866 last year.

Overseas Export Clearance of Wheat

Overseas export clearance of wheat during the week ending October 22 amounted to 2,546,612 bushels as compared with 3,405,804 bushels in the same week of 1936, while imports of Canadian wheat into the United States for consumption and milling in bond for re-export totalled 116,000 bushels compared with 863,000. Total overseas export clearances from August 1 to October 22 were 20,704,062 bushels as compared with 43,003,818 in the same period of 1936-37, and imports into the United States were 1,765,690 bushels compared with 16,584,412.

Bank Debits

Financial transfers in the form of bank debits were \$2,733,624,854 in September as compared with \$2,612,857,577 in August and \$3,133,564,540 a year ago. The decrease from September, 1936 was 12.8 per cent. Gains of 12.4 per cent and 7.8 per cent, respectively, were recorded in the Maritime Provinces and Quebec. The Ontario total was down 18.7 per cent. The Prairie Provinces recorded a drop of 31.4 per cent and British Columbia 4.2 per cent.

Increases were shown in each of the five economic areas with the exception of the Prairie Provinces during the nine months ended September as compared with the same period of 1936, with the result that bank debits in the latest period were \$26,253,228,012 as compared with \$25,893,227,551. The totals by economic areas follow: Maritime Provinces, \$547,385,404 (\$454,730,102); Quebec, \$8,652,895,855 (\$7,761,040,092); Ontario, \$11,922,516,805 (\$11,292,406,343); Prairie Provinces, \$3,545,427,882 (\$4,855,730,967); British Columbia, \$1,585,002,065 (\$1,529,320,047).

Export of Farm Implements and Machinery

There was a decline recorded in the exports of farm implements and machinery in September in comparison with the previous month but a substantial increase was shown over the corresponding month last year. The total was \$780,091 in September compared with \$885,694 in August and \$337,214 a year ago. The United States, Argentina and British South Africa were the chief purchasers.

Export of Meats

The export of meats in September was lower than in the previous month but was higher than in September, 1936, the amount being \$2,832,871 against \$3,884,902 in August and \$2,600,210 a year ago. The United Kingdom continued to be the chief purchaser, the amount to that country being \$2,266,102 and to the United States \$417,198. Bacon and hams, amounting to 106,073 cwt. worth \$2,043,791 was the leading export and compared with 165,155 cwt. at \$3,115,830 in August and 112,912 cwt. at \$1,996,879 a year ago.

Export of Rubber

Although the export of rubber declined in September from the previous month, there was a gain shown over the corresponding month last year, the total being \$1,581,386 against \$1,893,865 in the previous month and \$1,279,943 a year ago. The United Kingdom was the chief market with \$652,811. Pneumatic tire casings were valued at \$654,584 compared with \$475,248 a year ago. There were 65 markets for these casings, being led by New Zealand with \$129,001, Denmark, \$67,493, and Brazil \$51,440. Rubber boots and shoes were sent abroad to the value of \$592,778 compared with \$512,216 a year ago, of which the United Kingdom took \$508,418.

Planks and Boards Exported

Planks and boards were exported in greater quantity in September than in the previous month and also the corresponding month last year, the total being 223,507,000 feet worth \$5,410,634 compared with 170,017,000 at \$4,448,134 in the previous month and 160,586,000 valued at \$3,504,120 last year. The amount sent to the United Kingdom was 136,102,000 feet and to the United States 55,759,000. There were also shipments of Douglas fir square timber to the value of \$302,177 compared with \$176,402 a year ago, The United Kingdom, Japan, Australia and China taking the bulk. The export of shingles, going largely to the United States, was worth \$718,139 compared with \$650,161. Veneers and plywoods were worth \$142,315 compared with \$75,911, and laths \$79,952 against \$83,878.

Canada's Trade

Canada's trade in September showed an expansion of \$22,891,000 in comparison with September, 1936, the total being \$165,456,613 as compared with \$142,565,370. Total domestic exports were of the value of \$94,151,927 as compared with \$88,894,127, while imports were \$70,240,475 as compared with \$52,982,972.

The increase in trade with the United States was particularly noteworthy, advancing to \$86,512,537 from \$65,442,555. Domestic exports were worth \$43,995,883 compared with \$35,120,686, and imports totalled \$41,635,338 compared with \$29,753,881.

Trade with the United Kingdom declined to \$45,978,495 from \$48,127,307, due to a falling-off in wheat shipments to that country. Domestic exports totalled \$33,139,307 as compared with \$37,164,971; imports were worth \$12,686,817 compared with \$10,905,743.

Canada's trade approached the \$2,000,000,000 mark during the twelve months ended September, aggregating \$1,937,122,678 as compared with \$1,557,023,636 in the previous twelve months. Total domestic exports were worth \$1,142,677,373 as compared with \$947,269,950, while imports were \$777,342,504 compared with \$595,144,608.

Trade with the United States showed the greatest expansion, increasing to \$970,291,072 from \$735,569,064. Domestic exports to the United States increased to \$490,033,945 from \$380,080,875, and imports to \$465,697,596 from \$345,563,290. Trade with the United Kingdom was \$561,800,257 as compared with \$496,846,834. Exports to the United Kingdom were valued at \$417,128,898 as compared with \$374,834,618, in spite of the lowered wheat shipments, and imports \$143,393,312 compared with \$121,082,350.

Copper Production

Copper production in Canada set up a new high monthly record in August when 44,583,629 pounds were produced. In July, 41,710,830 pounds were produced, while in August, 1936 the output was 35,438,299 pounds. During the first eight months of the current year, Canada produced 329,899,425 pounds, representing an advance of 22.4 per cent over the output in the corresponding period of 1936.

Nickel Production

The Canadian production of nickel in August advanced to 20,662,233 pounds from the preceding month's total of 15,792,349 pounds and the August, 1936, output of 12,379,095 pounds. Production during the first eight months of 1937 totalled 147,840,919 pounds compared with 107,927,120 a year ago.

Production of Concentrated Milk

The total amount of concentrated milk manufactured during September was 15,634,378 pounds, a decrease of 304,317 from the preceding month, but an increase of 5,034,871 over the corresponding month last year. The chief item contributing to the increase over September, 1936 was evaporated milk which rose to 11,303,728 pounds from 7,415,505.

Combined production of all items during the nine months ended September was 117,732,764 pounds compared with 85,717,800 pounds in the corresponding period of 1936. Evaporated milk was the principal item, amounting to 24,771,313 pounds, a gain of 44 per cent.

Births, Deaths and Marriages

6,911 Births registered in 67 cities and towns of Canada having 10,000 population numbered in September, deaths 4,061 and marriages 4,803 as compared with 6,624 births, 3,895 deaths and 4,285 marriages in September last year, showing increases of $4\frac{1}{2}$ per cent in births, 4 per cent in deaths and 12 per cent in marriages.

Births registered in the same cities and towns during the nine months January - September of this year totalled 61,137, deaths 40,563 and marriages 29,551 as against 60,862 births, 38,805 deaths and 27,090 marriages during the corresponding nine months of last year. This comparison shows increases of one-half per cent in births, $4\frac{1}{2}$ per cent in deaths and nine per cent in marriages.

Silver Production

Silver production in Canada during August amounted to 3,129,097 ounces as compared with 2,767,983 in July and 1,567,358 in August, 1936. The increased production during July and August this year has been due principally, to large seasonal shipments of silver-lead concentrates from the Mayo district, Yukon Territory, to the Bradley smelter in the United States. During the eight months ending August, Canada produced 15,066,287 ounces of silver or 27 per cent above the output of the same period last year.

Lead Production

Lead production in Canada reached a total of 40,590,985 pounds in August; during the preceding month, 31,321,744 pounds were produced, while in August, 1936, the output was 33,987,026. Production during the eight months ending August aggregated 271,861,089 pounds, or 10 per cent above the output a year ago.

Zinc Production

The Canadian output of zinc in August totalled 39,849,770 pounds as compared with 36,498,712 in the preceding month and 33,544,390 in August 1936. An advance of 9.7 per cent was recorded in the output during the first eight months of 1937 as against the production for the corresponding period of 1936; the totals were 248,051,500 pounds and 226,190,283, respectively.

Export of Newsprint Paper

The export of Canadian newsprint paper continues in heavier volume, amounting to 6,173,095 cwt. valued at \$11,303,766 in September as compared with 5,662,569 cwt. at \$10,662,990 in August and 5,567,360 worth \$9,755,549 in September, 1936. The amount to the United States was 5,175,246 cwt., to Australia 332,643 cwt., Argentina 173,592, the United Kingdom 168,278 and Chile 75,789. During the six months of the fiscal year, total exports of newsprint paper were 35,022,166 cwt. valued at \$64,553,413 as compared with 30,095,295 worth \$52,069,099 in the same period of the previous fiscal year.

Export of Cattle

There were 24,746 head of beef cattle valued at \$1,075,089 exported during September as compared with 19,191 head at \$723,032 in September, 1936. The number sent to the United States was 21,899 head valued at \$847,866, and to the United Kingdom 2,291 head at \$211,227. Dairy cattle exported numbered 959 head valued at \$67,615 compared with 927 valued at \$56,826, the United States taking 955 head valued at \$67,615. The export of animals for exhibition purposes at \$31,625 was slightly lower than a year ago. There were 1,253 head of pure bred cattle exported to the value of \$114,275 compared with 869 at \$86,912, mostly to the United States. The number of horses exported was 689 worth \$83,564 compared with 737 at \$76,889, of which the United States took 459 head, the United Kingdom 172, Newfoundland 55 and Bermuda three.

Export of Copper

The export of copper in ingots, bars, cakes, slabs and billets amounted to 260,894 cwt. of the value of \$3,614,838 in September as compared with 240,711 at \$2,224,257 a year ago. The bulk of it went to the United Kingdom. Copper in rods, strips, sheets, plates and tubing, going chiefly to the United Kingdom, totalled 47,948 cwt. worth \$709,868 compared with 38,639 at \$391,180. Copper in ore, matte regulus, etc. amounted to 46,335 cwt. valued at \$509,700 compared with 47,151 at \$329,348, chiefly to the United States and Japan.

Exports of Nickel

Exports of fine nickel were valued at \$3,306,109 in September as compared with \$2,449,103 a year ago. The United States received \$1,727,921, the United Kingdom \$990,458, Japan \$323,251, Germany \$166,598, Sweden \$44,814 and Italy \$44,800. Nickel in matte or speiss totalled \$1,344,403 as compared with \$1,307,839; the amount to the United Kingdom was \$802,818, the United States \$380,413, Norway \$150,210 and Japan \$10,962.

Production of Asphalt Roofing

The production of asphalt roofing during September amounted to 194,159 squares and 2,090 tons as compared with 164,681 squares and 2,003 tons in September, 1936. During the nine months ended September, there were 1,351,486 squares and 19,102 tons produced compared with 1,070,770 squares and 13,909 tons in the same period of 1936.

Financing of Motor Vehicle Sales

The number of new and used motor vehicle sales financed during September exceeded those for September, 1936, by 19.8 per cent, while the corresponding financed value showed a gain of 31.0 per cent over last year. There were 12,358 new and used vehicles financed for \$5,061,018 during September compared with 10,312 at \$3,862,339 for September, 1936.

Nine-month totals indicate increases over last year of 29.7 per cent in number and 37.7 per cent in amount. They also exceed those shown for the calendar year 1936. During the period January to September, 1937, 147,088 vehicles were financed for \$62,421,977 compared with 113,434 at \$45,329,856 for the first nine months of 1936 and 137,514 at \$54,859,812 for the calendar year 1936.

Output of Central Electric Stations

Central electric stations produced 2,195,291,000 kilowatt hours during September as compared with 2,197,725,000 in August. On a daily basis this was an increase of 3.2 per cent. The increase over the output in September last year was 7.5 per cent. Exports to the United States dropped from 162,617,000 kilowatt hours in August to 143,441,000 and deliveries of secondary power to electric boilers decreased from 491,409,000 kilowatt hours to 487,348,000.

In past years the September consumption of firm power has been about 1.4 per cent above the August consumption. This rate of increase was almost made this year, the total being 1,564,502,000 kilowatt hours as against 1,543,699,000 in August. In September last year the consumption was 1,417,821,000 kilowatt hours.

Reports Issued during the Week

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