

WEEKLY BULLETIN

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Weekly Review of Economic Conditions

Three of the six factors measuring the trend of economic conditions recorded gains in the third week of December. Wholesale prices, due mainly to strength in grains, recorded a slight increase over the preceding week. The adjusted index of bank clearings moved up from 84.6 to 90, a gain of 6.4 p.c. A minor increase was also shown in common stock prices, the index advancing from 103.9 to 104.0. The index of capitalized bond yields was practically maintained, strength in prominent issues having been recorded in the last few days. Carloadings showed a decline, the index dropping nearly 1 p.c. Trading was less active on the Montreal and Toronto stock exchanges.

Wholesale prices alone of the six major factors recorded a gain over the same week of 1936. The gain in the index of wholesale prices was practically 4 p.c. Carloadings, on the other hand showed a decline of slightly less than 6 p.c. Common stock prices were 20.6 p.c. below the level of the same week of 1936, and a marked decline was shown in speculative trading. The declines in bond prices and in bank clearings were of lesser proportions.

Railway traffic, due to a drop in the eastern division, recorded a decline in the 49th week of the year ended December 11. The index receded from 72.4 to 71.8 despite the advance in the index of the western division, from 63.7 to 66.0. During the first 49 weeks of the year, the railway traffic showed a lead of 160,000 cars over the same period of 1937. While a minor decline was shown in coke, the main reactionary groups were grain and coal which showed declines of 76,000 and 22,500 cars, respectively. The outstanding gain of the year was in the movement of miscellaneous commodities consisting mainly of manufactured goods. The other commodity groups showed important advances over the preceding year.

A minor gain was shown in the index of wholesale prices during the week of December 17. The chief influence in raising this index was the advance in prices of crop products, the sub-index rising from 84.8 to 85.4. Each of the other eight groups showed decline from the preceding week. The net result was that the general index advanced from 82.7 to 82.8. While a declining trend has been shown since the end of July, considerable resistance has recently been recorded against further reaction. The lead over the same week of 1936 was 3.9 p.c.

Grains were strong on the Winnipeg exchange, No. 1 Northern wheat advancing from 133 $\frac{5}{8}$ to 138. The advance in oats was from 48 $\frac{1}{4}$ to 49 $\frac{1}{8}$, and increases were shown in the other coarse grains. Recessions were recorded in livestock prices on the Toronto stockyards. Electrolytic copper was somewhat higher on the London metal exchange, the price advancing from £43 5s on December 14th, to £45 on December 21. A further decline was shown in lead while zinc advanced from £14 7s 6d to £15 7s 6d. Electrolytic copper showed a price concession on the New York metal exchange, while an advance was recorded in the price of export copper. The price of lead dropped from 5.00-5.05 to 4.75-4.80, while zinc was maintained at 5 cents per pound.

The trend of bond prices since April has roughly followed that of the same period of 1936, although the level has been considerably below the high position obtaining last year. The index of capitalized yields was slightly lower in the week of December 16 than in the preceding week, but more recently the principal issues have recorded an advance. The 4 $\frac{1}{2}$'s of 1947-57 rose from 109 $\frac{5}{8}$ on December 14, to 109 $\frac{7}{8}$ on the 21st. The 3's of 1950-55 advanced from 96 $\frac{5}{8}$ to 97 $\frac{1}{4}$, and similar increases were shown in the 4 $\frac{1}{2}$'s of 1946 and the 4's of 1947-52.

Common stock prices rose slightly in the week of December 16, the index advancing from 103.9 to 104.0. Four of the nine industrial groups recorded gains and the index of 15 power and traction stocks advanced from 65.3 to 67.3. Bank stocks were stronger, advancing from 80.8 to 82.2.

The economic index based on the six above-mentioned factors showed a gain from 104.2 to 104.9. The increase of 0.7 p.c. resulted from gains in wholesale prices, bank clearings and common stocks. The decline from the same week of last year was 7.9 p.c., the index at that time standing at 113.9. The index of wholesale prices was the only factor of the six recording a gain over the same week of last year.

Weekly Economic Index with the Six Components
1926=100

Week Ended	Car loadings ¹	Wholesale Prices	Capitalized Bond Yields ²	Bank Clearings ³	Prices of Common Stocks	Shares Traded	Economic Index ⁴
Dec. 19, 1936	76.2	79.7	157.2	93.1	130.9	301.1	113.9
Dec. 11, 1937	72.4	82.7	147.5	84.6	103.9	126.8	104.2
Dec. 18, 1937	71.8	82.8	147.3	90.0	104.0	122.4	104.9

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 in Store

Canadian wheat in store for the week ending December 17 amounted to 60,349,518 bushels as compared with 61,463,193 in the previous week and 115,666,975 in the same week last year. Wheat in rail transit totalled 3,641,601 bushels compared with 4,517,062 a year ago; in transit on the lakes amounted to 202,010 bushels, while no comparable total is shown for the same date last year. Canadian wheat in the United States amounted to 5,315,000 bushels compared with 5,066,000 in the previous week and 27,402,420 a year ago. United States wheat in Canada totalled 1,876,817 bushels.

Stocks of wheat in the elevators in Canada on December 17 were 55,034,518 bushels compared with 56,397,193 for the previous week and 88,264,555 on the same date last year. The location was as follows: Western Country Elevators, 15,290,000 bushels; Interior Terminals, 5,908,101; Vancouver-New Westminster, 2,449,967; Prince Rupert, 911,340; Churchill, 11,820; Fort William and Port Arthur, 10,607,608; Eastern Elevators Lake and Seaboard Ports, 12,812,005 and 3,200,066, respectively.

Primary Movement of Wheat

Marketings of wheat in the Prairie Provinces amounted to 1,329,218 bushels during the week ending December 17 as compared with 1,160,640 in the previous week and 2,099,902 in the same week last year. Total marketings during the twenty weeks ending December 17 were 96,171,999 bushels as compared with 134,815,594 in the same period of 1936.

Overseas Export Clearances of Wheat

Overseas export clearances of wheat during the week ending December 17 amounted to 1,859,808 bushels as compared with 3,487,501 in the same week last year, while imports into the United States for consumption and milling in bond for re-export were 31,000 bushels compared with 968,000. Aggregate clearances during the period August 1 to December 17 were 39,651,770 bushels compared with 80,085,977 in the same period of 1936, while United States imports were 1,891,839 as compared with 26,593,847 bushels.

Export of Farm Implements and Machinery

Exports of farm implements and machinery were of the value of \$890,806 in November as compared with \$671,632 in the previous month and \$513,467 in November, 1936. Argentina was the chief purchaser with a total of \$464,679, followed by the United States with \$206,040. Ploughs and parts were worth \$324,696, drills \$109,860 and threshing machine separators and parts \$64,419.

Cheese Exports

November exports of cheese amounted to 147,612 cwt. of the value of \$2,158,655 as compared with 156,288 cwt. at \$2,275,060 in the previous month and 151,402 at \$2,094,214 a year ago. The United Kingdom was the chief purchaser with 140,856 cwt.

Gross Bonded Indebtedness of Municipalities

Total municipal bonded indebtedness throughout Canada decreased by more than \$6,000,000 during 1935 in comparison with 1934, the total being \$1,446,120,276 as compared with \$1,452,850,565. The unemployment situation and relief problems in recent years have weighed somewhat heavily upon municipal governments particularly in the larger urban centres. This condition together with a growing demand for local improvement and public services will explain the almost constant advance in municipal bonded indebtedness since 1919, when the total was \$729,715,148.

Gross bonded indebtedness of all classes of municipalities follows by provinces during 1935, with figures for 1934 in brackets: Prince Edward Island, \$2,479,550 (\$2,348,275); Nova Scotia, \$33,866,913 (\$33,318,115); New Brunswick, \$27,538,898 (\$26,495,037); Quebec, \$574,883,119 (\$565,218,160); Ontario, \$461,653,182 (\$483,952,700); Manitoba, \$95,557,149 (\$90,767,215); Saskatchewan, \$55,519,672 (\$55,692,110); Alberta, \$67,251,233 (\$67,886,011); British Columbia, \$127,370,560 (\$127,172,942).

Domestic Exports during Eight Months

There was an increase of 8.2 per cent recorded in the value of Canada's domestic exports during the eight months ended November as compared with the same period of last year, the total being \$776,682,690 compared with \$717,747,405. Sales to Empire countries were of the value of \$362,112,750 compared with \$343,517,964, and to Foreign countries \$414,569,940 compared with \$374,229,441.

The United States was the chief purchaser with a value of \$322,878,104 compared with \$286,719,578; the United Kingdom was second with \$289,490,592 compared with \$286,807,462. Purchases by Australia totalled \$21,117,141 compared with \$17,495,748. The exports to Japan were worth \$17,908,551 compared with \$13,454,942, to Belgium \$12,074,936 compared with \$16,976,043, New Zealand \$11,304,473 compared with \$7,239,854 and British South Africa \$11,013,283 compared with \$9,881,665.

Other leading markets were as follows, with figures for the eight months of 1936 in brackets: Netherlands, \$10,257,199 (\$8,370,417); Germany, \$8,504,973 (\$4,093,112); British West Indies, \$7,675,054 (\$5,844,051); Newfoundland, \$7,004,969 (\$5,831,538); Argentina, \$5,640,696 (\$2,820,193); Norway, \$4,556,480 (\$4,862,648); France, \$4,263,038 (\$7,345,022); Brazil, \$3,417,069 (\$2,611,233); British India, \$3,158,850 (\$1,756,856); Irish Free State, \$2,955,902 (\$2,671,487); China, \$2,664,591 (\$3,062,885); Sweden, \$2,090,953 (\$2,330,739).

November Exports

There was a sharp decline of \$14,308,700 in Canada's domestic exports in November as compared with a year ago. The total was \$106,662,684; in November, 1936, it was \$120,971,364. This decline was accounted for by a drop of \$15,248,367 in exports to the United States, which were \$31,288,499 in November as compared with \$46,536,866 a year ago.

The feature of the month's exports was that, although wheat to the United Kingdom was down by \$12,637,000 the total exports to Great Britain rose from \$50,673,474 to \$51,534,422. Exports to British Empire Countries increased from \$59,175,622 to \$61,534,342, but exports to foreign countries declined from \$61,795,762 to \$45,129,342.

Wheat exports had an effect upon the total November trade. These declined from \$36,620,000 to \$17,901,000 or by \$18,719,000, and gold bullion dropped from \$13,063,000 to \$5,328,000 or by \$7,735,000. Deducting these two items from the November trade, the exports were up by \$12,147,000. Exports to most countries, both Empire and Foreign were up in November.

The following were the November domestic exports to leading countries with the 1936 figures in brackets: United Kingdom, \$51,614,432 (\$50,673,494); United States, \$31,288,499 (\$46,536,866); Australia, \$2,562,086 (\$2,849,775); Japan, \$2,308,252 (\$1,838,644); New Zealand, \$1,857,951 (\$1,141,977); Belgium, \$1,840,813 (\$3,991,650); British South Africa, \$1,620,030 (\$1,625,671); Germany, \$1,594,285 (\$570,454); Argentina, \$1,342,850 (\$351,913); Newfoundland, \$1,270,921 (\$744,174).

With the exception of wheat and gold bullion, most other commodities recorded increases, the larger of which follow, with figures for November, 1936, in brackets: Newsprint paper, \$12,569,000 (\$10,958,000); nickel, \$5,835,000 (\$3,913,000); copper, \$5,775,000 (\$3,575,000); meats, \$3,636,000 (\$3,196,000); woodpulp, \$3,329,000 (\$2,736,000); fish, \$2,798,000 (\$2,755,000); wheatflour, \$2,431,000 (\$1,939,000); aluminium, \$2,219,000

(\$1,756,000); cheese, \$2,159,000 (\$2,094,000); asbestos, \$1,499,000 (\$1,153,000); lead, \$1,138,000 (\$780,000); pulpwood, \$1,266,000 (\$911,000); machinery, \$1,124,000 (\$606,000); silver, \$932,000 (\$417,000).

There were decreases in barley to \$1,542,000 from \$2,723,000; automobiles to \$1,207,000 from \$1,761,000; shingles to \$411,000 from \$601,000; fertilizers to \$353,000 from \$295,000; unmanufactured leather to \$328,000 from \$603,000; pigs and ingots to \$145,000 from \$466,000 and raw wool to \$100,000 from \$336,000.

Fruit and Nursery Stock Sales

During the year ending May 31, 1937, total sales of nursery stock reported had a wholesale value of \$371,777 as compared with \$369,827 for the previous year. Apple trees comprise the largest single item, there being 409,478 trees valued at \$154,476. Of these, 68,725 trees were of early varieties valued at \$26,422; 67,463 of fall varieties valued at \$26,690; 257,615 of winter varieties valued at \$96,682; 15,675 crab apples valued at \$4,682. In addition there were 22,000 root grafts made for farmers and for which values are not shown.

The numbers and values of other kinds of stock were: peaches, 201,271, \$488,220; pears 84,357, \$34,529 and 3,500 root grafts; plums 76,974, \$28,984; cherries 71,230, \$30,564; apricots 4,724, \$1,478; nectarines 47, \$17; quinces 283, \$136; blackberries 19,601, \$802; currants 74,554, \$6,395; gooseberries 39,467, \$4,996; grapes 174,036, \$13,611; loganberries 805, \$48; raspberries 826,189, \$26,115; strawberries 3,315,142, \$21,406.

Production of Iron and Steel

The production of pig iron in November at 81,463 tons was the greatest tonnage reported for any month since January, 1930, when 87,079 tons were made. In the previous month 80,922 tons were produced and in November, 1936, the total was 74,334 tons. During the eleven months of this year 816,523 tons of pig iron were made as compared with 610,173 tons in the same period of 1936.

Production of steel ingots and direct steel castings fell off slightly during November to 110,681 tons compared with 114,527 in the previous month but showed considerable improvement over the 98,534 tons made in November, 1936. Total production during the 11 months of the year was 1,302,677 tons compared with 1,010,598 in the corresponding period of 1936.

Demand for iron and steel products remained steady during November and prices generally were firm but scrap quotations eased subsequent to heavy purchases from railways. Loss difficulty in obtaining delivery was apparent than for some time past but unfilled orders were regarded as sufficient to maintain mill operations at around present levels till the close of the year.

Production of Automobiles

A gain of 31 per cent was recorded in the production of automobiles in Canada during the 11 months ended November as compared with the same period of 1936. The total was 186,348 units as compared with 141,911. Production during November numbered 16,574 units compared with 8,103 in October and 10,812 in November, 1936.

Retail Chains in 1936

There were 457 retail chain store companies operating 8,124 individual units with total sales of \$394,935,000 in 1936 as compared with 445 companies having 8,022 units with total sales of \$364,129,800 in 1935. These chain store companies did 17.9 per cent of Canada's total retail trade during 1936 as compared with 17.7 per cent in 1935. Stocks on hand at the end of 1936 were valued at \$44,258,000 and warehouse stocks at \$14,631,500. Customers' accounts outstanding on the books of retail chains at the end of the year were \$31,430,000.

Production of Concentrated Milk

Production of all items of concentrated milk in November amounted to 9,799,728 pounds compared with 4,987,537 in the previous month and 3,397,197 in November, 1936. Total production during the 11 months ended November was 142,319,757 pounds compared with 101,665,239 in the same period of 1936.

Production of Crude Petroleum

The production of crude petroleum and natural gasoline in Canada has recorded a steady advance since November, 1936, and in October, 1937, the total was 342,452 barrels, of which 325,165 barrels were produced in Alberta. Total production in the previous month was 298,753 barrels and in October, 1936, the amount was 137,004. Total output during the ten months ended October was 2,233,559 barrels compared with 1,239,051 in the same period of 1936.

Production of Gold

Production of gold in Canada during October amounted to 358,836 ounces as compared with 348,109 in September and 335,683 a year ago. Total output during the ten months ended October was 3,376,121 ounces compared with 3,095,435 in the same period of 1936. The average price of gold on the New York market during October was \$34.99 in Canadian funds; valued at this price the output in the latest month was worth \$12,555,672.

Asbestos Production

Canadian producers of asbestos recorded shipments amounting to 33,471 tons in October as compared with 39,211 in the previous month and 38,231 in October, 1936. Shipments during the ten months of 1937 totalled 342,502 tons compared with 242,556 a year ago.

Gypsum Production

The Canadian output of gypsum in October was recorded at 114,377 tons compared with 146,582 tons in September and 157,490 in October, 1936. Total production during the ten months ended October was 881,383 tons compared with 698,852 tons in the same period of 1936.

Newsprint Paper Exports

Exports of newsprint paper amounted to 6,312,840 cwt. valued at \$11,572,240 in November as compared with 6,046,507 at \$11,167,970 in the previous month and 5,916,653 cwt. worth \$10,340,246 in November, 1936. The total exported to the United States was 5,104,613 cwt. valued at \$9,345,553. The amount to the United Kingdom was 304,967 cwt., Argentina 270,041, New Zealand 144,816 and Australia 126,534. There were 31 markets during the month.

Cattle Exports

Cattle exports recorded an increase in number but a decrease in value during November when compared with November, 1936, the total being 9,851 head worth \$306,727 compared with 9,647 head at \$365,496. The United States took 9,473. There were also 1,508 pure bred cattle for the improvement of stock exported valued at \$136,326 compared with 1,084 worth \$94,000. Poultry exports were valued at \$143,984 compared with \$14,761. The export of horses fell considerably to 663 head valued at \$77,938 from 1,127 at \$132,039.

Planks and Boards Exported

Planks and boards were exported to the value of \$3,739,996 during November as compared with \$3,868,478 a year ago. The value to the United Kingdom was \$2,119,676 and to the United States \$976,917.

Assessment Valuations

The total assessed value of properties, income and other taxable valuations was \$8,264,234,884 in 1935 as compared with \$8,433,897,390 in 1934. The peak year was 1930, the total being \$8,985,770,048. Assessed value of taxable real property was \$7,768,691,748 in 1935, income \$72,633,733, personal property \$52,327,491 and other \$368,695,375. Exempted property was \$1,476,603,452, comprised largely of government properties, educational, charitable and religious institutions. Exemptions in 1934 were \$1,689,937,902.

Total taxable valuations in 1935 were as follows, by provinces, with figures for 1934 in brackets: Ontario, \$3,000,835,872 (\$3,023,011,441); Quebec, \$2,224,039,302 (\$2,234,158,117); Saskatchewan, \$1,096,061,102 (\$1,106,016,437); British Columbia, \$583,756,323 (\$625,762,235); Alberta, \$518,180,058 (\$577,407,878); Manitoba, \$487,829,469 (\$509,753,890); Nova Scotia, \$171,345,143 (\$171,701,982); New Brunswick, \$141,798,764 (\$145,699,588); Prince Edward Island, \$40,388,851 (\$40,385,822).

Canada's Trade in November

Canada's total trade in November was valued at \$188,486,588, continuing the decline noted in the previous month in comparison with the corresponding months of 1936. The total in November last year was \$189,035,536. The October trade was valued at \$185,797,137 compared with \$178,161,341 in October, 1936. The decline in both these months was accounted for by lowered domestic exports, principally wheat and gold bullion, total imports having been substantially higher in both months in comparison with 1936.

Total domestic exports were worth \$106,662,684 in November compared with \$120,971,384 in November, 1936; the total in October was \$102,747,226 compared with \$110,998,708 in October, 1936. Imports were valued at \$80,669,072 compared with \$66,169,416 last year, while the total in October was \$82,112,749 compared with \$65,158,561 in October, 1936. The collection of duties was practically maintained at the level of the previous month, the total being \$10,270,206 in November compared with \$10,287,458 in October and \$8,320,565 in November, 1936.

Financing of Motor Vehicle Sales

Motor vehicle sales financed during November totalled 9,945 compared with 6,960 for November, 1936, a gain of 42.9 percent. Corresponding financed values were \$4,390,340 and \$2,769,329, respectively, a gain of 58.5 per cent.

Cumulative totals indicate a 29.5 per cent advance in number and a 38.4 per cent gain in amount compared with last year. During the eleven-month period sales of 167,402 vehicles were financed for \$71,104,776, while the cumulative totals for 1936 were 129,243 vehicles at \$51,392,052.

Passenger cars financed during November numbered 3,066 at \$2,350,778, an advance of 52.2 per cent in number and 61.1 per cent in value compared with last November. Used vehicles totalling 6,879 were financed for \$2,039,562 during November compared with 4,945 at \$1,309,686 last year.

Fuel Oil Exports

There were 1,539,235 gallons of fuel oil exported during November as compared with 1,586,636 in the previous month and 2,345,480 in November, 1936. The United States took 1,501,305 gallons.

Cooperage Industry

There were 77 firms in Canada engaged principally in the manufacture of barrels, casks, kegs, tubs, etc., in 1936 with a total value of production of \$1,857,222 compared with \$1,846,353 in 1935. In 1935 there were 80 firms operating.

Stocks of United States Grain in Canada

The stocks of United States wheat in Canada on December 17 amounted to 1,876,817; a year ago there was none. There were 3,834,449 bushels of United States oats compared with 64,109, 680,790 bushels of rye against nil, 1,073,120 bushels of corn against 2,280 and 39,625 bushels of soya beans against nil.

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