WEEKLY BULLETIN

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Weekly Review of Economic Conditions

Three of the six major factors indicating the trend of economic conditions in Canada recorded advances in the week of December 25 over the preceding week. The important gain of the week was in carloadings, the index advancing from 71.8 to 76.6. Wholesale prices remained unchanged, while bond prices showed further advance, the index of capitalized yields recording an increase of 1.4 p.c. Bank clearings and shares traded showed decline after seasonal adjustment, while a gain of 0.9 p.c. was recorded in common stocks.

Wholesale prices alone of the six major factors recorded an increase over the same week of 1936, the gain in the index of wholesale prices being 3.2 p.c. Carloadings showed a deficit of about 4 p.c. from last year. An irregular advance has been shown in high-grade bond prices since the early weeks of November and bonds are now higher than at any time since last February. The decline in the index of capitalized yields, however, from the same week of last year was 4.6 p.c. Owing to the advance in common stock prices in the last quarter of 1936 and the declining trend of recent months, the index of common stock prices was 20 p.c. below the week of December 26, 1936. Declines were also shown in bank clearings and in the number of shares traded on the Canadian stock exchanges.

The railway freight movement was heavier in the 50th week of the year ended December 18. The gain in carloadings was 504 cars, the index rising from 71.8 to 76.6. Generous gains were recorded in both eastern and western divisions. In the elapsed portion of the present year, the railway traffic movement recorded a gain of 158,000 cars, the total having been 2,552,000. The main contribution to this increase was made by the miscellaneous commodities group consisting mainly of manufactured goods.

The index of wholesale prices remained unchanged at 82.8 in the week of December 24. A gain was shown in the index of crop products while other main groups either remained unchanged or showed recession. Animal products and non-ferrous metals receded to a lower level in this comparison. Price movements of grains at Winnipeg were narrow for most of the week but last minute export demand on Friday supported substantial gains for wheat. Livestock prices were strong on the Toronto stockyards, medium steers advancing from 5.40 to 5.78 and bacon hogs from 8.19 to 8.28. The majority of speculative commodities were unchanged on the New York markets. Cotton middlings advanced from 8.14 to 8.29, and rubber smoked sheets were up from 15.06 to 15.13 cents per pound. Coffee and sugar remained unchanged. A slight increase was shown in the spot price for cocoa. Copper recorded decline on the London metal exchange, the price of electrolytic having been £43 on the 28th against £44 on the 21st. Lead showed a gain of £15 12s 6d against £15 5s, while zinc erased a part of the gain of the preceding week. Lead, tin and zinc were unchanged at New York, the export price of electrolytic copper dropping from 10.15 to 9.82.

Wholesale prices maintained during 1937, a considerable lead over the same weeks of the preceding year. The gap was considerably narrowed as the end of the year approached. This condition resulted from a considerable advance in wholesale prices during the last half of 1936 and the declining trend obtaining since the latter part of last July. The lead in the week of December 24th, was reduced to 3.2 p.c.

High-grade bonds have been irregularly strong for seven weeks and the present standing is higher than at any time since about the middle of February. Dominion bonds are at present below the high levels of the latter part of 1936, but occupy a high position relative to all years prior to that time. The index of capitalized bond yields was 1.4 p.c. higher than in the preceding week and 4.6 p.c. below the same week of 1936. The 4½'s of 1947-57 advanced from 109 7/8 on December 21 to 110 on December 28. The 4's of 1947-52 advanced from 106 3/8 to 106 5/8.

Common stock prices showed a rally for four weeks ended December 23. Greater resistance to the downward trend has been displayed in the last nine weeks, following the steady reaction subsequent to the middle of August. The gain in the week of December 23 was from 104.0 to 104.9. Six of the nine industrial classes recorded gains over the preceding week. Utilities, on theother hand, showed decline, the index of power and traction stocks receding from 67.3 to 67.2. Mining stocks were relatively strong, advances being shown in golds and base metals. Banks recorded a net gain for the fourth consecutive week.

After recording a decline for 10 weeks, the economic index has recently shown resistance to the downward trend. The gain in the index based on six major factors was 0.9 p.c. in the week of December 25, over the preceding week. The standing of the index was 105.9 against 104.9. The present position of the index is 9.2 p.c. below the same week of 1936, the standing at that time having been 116.6. Only wholesale prices of the six major factors showed an increase over the same week of last year. The economic index registered an advancing trend during 1936, resulting in a maximum position in January, 1937. From February to July, a declining trend was shown partly offset by the rally to the first part of September. Since that time, an important decline was shown although the index has been well maintained during the last six weeks.

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. 26, 1936	79.9	80.2	156.5	101.5	131.3	396.9	116.6
Dec. 18, 1937	71.8	82.8	147.3	90.0	104.0	122.4	104.9
Dec. 25, 1937	76.6	82.8	149.3	86.8	104.9	87.2	105.9

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. Bankclearings 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.

December Employment Situation

Industrial employment at the beginning of December showed a large seasonal contraction; 10,459 employers reported 1,159,727 persons on their payrolls on December 1 which was a reduction of 34,444 from the 1,194,171 on November 1. A year ago 10,106 firms reported staffs of 1,044,969 which was a decline of 8,579 from the preceding month. That was exceptionally small for the time of year.

The seasonal reduction this year exceeded the average loss at December 1 in the period 1921 to 1936 although it was smaller at that date than in certain years, notably 1929 and 1930. Despite the curtailment this year, industrial activity continues at a high level.

Manufacturing, notably of food and lumber products, communications, transportation and construction showed seasonal recessions at December 1, those in construction and maintenance being especially pronounced. On the other hand, logging, coal-mining and retail trade reported substantial improvement, also of a seasonal character.

Each of the five economic areas recorded lowered activity at December 1; firms in Ontario laid off the largest number of persons, but the greatest percentage loss was in the Prairies. Employment generally was brisker than at the beginning of December of last year.

A brief survey of the situation at the end of 1937 shows that the general index of 121.6 on December 1, was 17.1 per cent higher than at the opening of the year; since the average advance between January 1 and December 1 in the last sixteen years has been just over eight per cent, the improvement during the last twelve months has considerably exceeded thenormal. Outstanding features of the 1937 situation have been the continued activity in manufacturing, mining and logging, together with further advances in communications, services and trade. Construction was also decidedly brisker than in 1936, while transportation showed little general change. Employment in the Maritime Provinces, Quebec, Ontario and British Columbia continued at a high level, while in the Prairie area no general change from 1936 was recorded.

November Imports

November imports were $14,471,000 in advance of those of November, 1936, the total being $80,640,504 as compared with $66,169,416. The total from Empire Countries was $25,212,901, a gain of $5,348,545 and from Foreign Countries $55,427,603, a gain of $9,121,543. The United States was the chief source of supply with a value of $46,392,831, increasing $11,099,946; the United Kingdom was second with $14,997,278, an increase of $2,508,892.

Other leading countries follow with comparablefigures for 1936 in brackets: Straits Settlements, $1,794,857 ($1,653,510); Germany, $1,608,668 ($1,179,788); Australia, $1,262,606 ($851,701); Ceylon, $1,163,989 ($559,723); British India, $1,154,048 ($627,983); British South Africa, $1,048,165 ($59,539); British Guiana, $963,004 ($809,236); Colombia, $932,018 ($580,997); Peru, $832,693 ($562,677); Belgium, $702,110 ($791,670); France, $642,085 ($654,258); Japan, $559,501 ($399,644); Netherlands, $477,413 ($378,117); Barbados, $442,432 ($394,120); Jamaica, $412,582 ($483,399); Newfoundland, $376,674 ($192,350); Switzerland, $376,521 ($260,029); New Zealand, $373,260 ($337,345); Argentina, $329,356 ($3,849,641); Czechoslovakia, $307,915 ($216,990); China, $216,641 ($147,908).

The increase in the total value of imports over the corresponding month of 1936 was due largely to generally greater purchases of iron and products, non-metallic mineral products and to a lesser degree of chemicals and non-ferrous metal products. Iron products were generally higher, machinery leading with a value of $4,820,000 compared with $2,618,000; automobile parts $3,424,000 compared with $2,240,000; plates and sheets, $3,151,000 compared with $2,550,000; automobiles, $1,586,000 compared with $819,000; farm implements, $925,000 compared with $310,000 and other rolling mill products $924,000 compared with $758,000.

Sugar imports were worth $2,582,000 as compared with $2,542,000; rubber, $2,218,000 compared with $1,780,000; grains and products, $2,840,000 compared with $4,063,000; fruits, $2,068,000 compared with $1,885,000; tea, $1,045,000 compared with $763,000; vegetable oils, $1,870,000 compared with $1,388,000 and alcoholic beverages $934,000 compared with $1,060,000. Hides were valued at $540,000 compared with $547,000 and living animals $398,000 compared with $36,000.

Total imports of cotton were of the value of $3,816,000 as compared with $4,093,000; total wool, $2,347,000 compared with $2,160,000 and silk $551,000 compared with $586,000. The value of books and printed matter was $1,434,000 against $1,217,000, paper $811,000 compared with $672,000 and planks and boards $523,000 compared with $340,000.

Imports of crude petroleum were valued at $5,598,000 compared with $4,648,000; coal, $4,266,000 ($3,254,000); clay and products, $869,000 ($687,000); glass and glassware, $870,000 ($741,000); stone and products, $843,000 ($651,000); gasoline petroleum, $611,000 ($443,000); dyeing and tanning materials, $650,000 ($529,000); fertilizers, $702,000 ($767,000); electric apparatus, $1,444,000 ($1,002,000) and aluminium $556,000 ($403,000).

Production of Silver, Lead and Zinc

Silver production in Canada during October amounted to 1,993,964 ounces as compared with 2,357,798 in the previous month and 1,593,017 in October, 1936. The average price of silver at New York during October was 44.74 cents per ounce in Canadian funds; valued at this price the output in Canada was worth $865,255. During the first ten months of 1937 Canada produced 19,781,075 ounces as compared with 14,810,428 in the same period of 1936.

October production of lead amounted to 40,769,961 pounds as compared with 40,875,577 in the previous month and 28,260,126 in October, 1936. Lead quotations on the London market in October averaged 4.029 cents per pound, at which price the output in the latest month was worth $1,642,622. Total production during the ten months ended October was 353,997,620 pounds compared with 304,491,458 in the same period of 1936.

Zinc production advanced 24 per cent to 38,156,045 pounds in October from the total in the previous month. In October, 1936, the output was 31,724,468 pounds. London copper prices averaged 3.905 cents per pound in Canadian funds during October, at which price the production was valued at $1,489,994. Total output during the ten months ended October was 316,977,107 pounds compared with 289,083,889 in the same period of 1936.

Production of Copper and Nickel

Copper production in Canada continued to advance during October, resulting in a new high monthly record of 51,853,071 pounds. During September, the previous-peak-month, 48,045,881 pounds were produced and in October, 1936, the total was 34,644,498. The average price of electrolytic copper on the London market in October was 11.169 cents per pound in Canadian funds; based on this price the output in October was worth $5,791,469. Production during the first ten months of 1937 totalled 429,798,377 pounds or 26.3 per cent above the output of the corresponding period a year ago.

The Canadian production of nickel in October amounted to 18,491,589 pounds compared with 19,022,018 in September and 12,769,154 a year ago. Total output during the ten months ended October advanced to 185,354,527 pounds from the corresponding total for 1936 of 136,601,748 pounds.

World Wholesale Price Movements

Despite a definite check to the rapid rise in world wholesale price levels in the second quarter of 1937, the movement continued to be predominantly upward in the third quarter. However, evidence of reaction was quite marked in October, when wholesale price indexes in many countries registered appreciable declines. This reactionary tendency affected indexes for the United States and Belgium more than those elsewhere, although minor recessions for the third quarter were also noted in several central European countries and in Japan. Continued advances were most pronounced in France, and Scandinavian price levels were consistently firm. The more sensitive United Kingdom indexes pointed to a substantial decline during the third quarter after a sharp advance in the preceding twelve months. The official Board of Trade series, however, showed no net change between June and September, but declined in October.

World Cost of Living Movements

Cost of living indexes advanced sharply in many countries during the third quarter of 1937, and such declines as occurred were of minor proportions. This rise in living costs, when wholesale prices have shown signs of moving in the opposite direction after a major increase, is characteristic of the lag in retail prices behind wholesale markets. The Belgian cost-of-living series, for example, advanced more than 5 per cent during the quarter, while wholesale price levels declined 2 per cent. Unless wholesale prices turn upward again in the near future, it seems probable that living costs generally will not move substantially above current positions. The sensitive Paris index weighted heavily by foods showed the sharpest rise, almost equivalent to the 12.7 per cent increase in the French wholesale index. Other major advances were registered for Belgium, the United Kingdom, Japan, Italy and Norway.

Output of Central Electric Stations

Central electric stations in Canada produced 2,414,665,000 kilowatt hours during November as against 2,365,052,000 in October and 2,261,979,000 kilowatt hours in November last year, and the index number rose from 224.27 for October to 230.21. Deliveries of secondary power to electric boilers increased from 566,436,000,kilowatt hours in October to 630,424,000, but were 3.6 per cent below those of November last year. Exports to the United States rose from 142,736,000 kilowatt hours in October and 126,152,000 in November, 1936, to 145,546,000, the largest November export on record. The consumption of firm power in Canada, computed by subtracting the exports and deliveries to electric boilers from the total output increased from 1,481,813,000 kilowatt hours last year to 1,638,695,000, but was 17,184,000 below the previous month.

Rubber Exports

Rubber exports during November advanced to $1,537,079 from the corresponding total last year of $1,156,865. Pneumatic tire casings increased to 65,123 of the value of $749,224 from 58,775 valued at $592,487, and boots and shoes of rubber to 464,809 pairs valued at $414,694 from 345,380 pairs worth $302,283. Pneumatic tire casings went to 73 countries, New Zealand taking $157,131, British South Africa $84,722, Brazil $51,245 and Hong Kong $46,389. Boots and shoes of rubber went chiefly to the United Kingdom, the value being $285,235, although the value of the imports by Newfoundland was $48,198 and New Zealand $46,842.

Retail Sales in Country General Stores

Country general store sales averaged 9 per cent higher in November this year compared with last according to monthly statements submitted by a representative number of these general merchandise stores located in the smaller towns and rural areas. Improved agricultural revenue in Manitoba is reflected in an increase of 21 per cent in country general store sales in that province. Alberta also reported a marked gain of 14 per cent. Quebec sales were up 12 per cent and Saskatchewan reported an improvement of 9 per cent over November a year ago. Sales in British Columbia advanced 7 per cent while a more moderate increase of 4 per cent was general for all sections of Ontario and in the Maritime Provinces.

Imports of Crude Petroleum

Imports of crude petroleum increased to 160,124,651 gallons valued at $5,598,051 in November from the total in the corresponding month last year of 146,782,258 worth $4,648,142. The total from the United States was 104,195,497 gallons, from Colombia 26,453,675, Peru 17,011,506 and Venezuela 12,463,973. Total imports during the eight months ended November were 1,140,078,164 gallons valued at $39,496,042 compared with 963,969,617 gallons valued at $30,296,405 in the same period of 1936.

Export of Meats

The November export of meats was valued at $3,635,790 as compared with $3,110,071 in the previous month and $3,195,869 in November, 1936. The amount to the United Kingdom was worth $3,244,271 and to the United States $200,800. Bacon and hams constituted the bulk of the export, going chiefly to the United Kingdom; the total was 165,089 cwt. worth $2,874,473, of which the United Kingdom took 162,708 cwt. valued at $2,810,032. Total meat exports during the eight months ended November were valued at $28,127,317 as compared with $21,513,474 in the same period of 1936; bacon and hams amounted to 1,251,474 cwt. valued at $22,081,886 compared with 1,032,116 valued at $17,343,623.

Imported Cheese

Cheese imports in November amounted to 223,806 pounds of the value of $54,847 as compared with 270,983 worth $69,409 a year ago. Switzerland was the chief source with 58,570 pounds, followed by Denmark with 45,552, Italy 45,499, France 26,677, the United Kingdom 12,094 and the Netherlands 10,783. Total imports during the eight months ended November were 958,313 pounds valued at $229,730 compared with 917,204 valued at $242,483 a year ago.

Births, Deaths and Marriages in November

Births registered in 67 cities and towns of Canada during November numbered 6,316, deaths 4,057 and marriages 3,396 as compared with 5,990 births, 4,124 deaths and 3,093 marriages in November last year, showing increases of 5½ per cent in births and 10 per cent in marriages and a decrease of 1½ per cent in deaths.

Births registered in the same cities and towns during the eleven months ended November totalled 74,360, deaths 48,934 and marriages 37,192 as against 73,369 births, 47,060 deaths and 34,474 marriages during the corresponding eleven months of last year. This comparison shows increases of 1½ per cent in births, 4 per cent in deaths and 8 per cent in marriages.

Cement, Clay and Lime Production

Production of Portland cement during October amounted to 770,730 barrels as compared with 937,749 in the previous month and 573,909 in November, 1936. Total production during the ten months ending October was 5,540,425 barrels compared with 4,088,830 in the same period of 1936.

Sales of clay and clay products were valued at $469,080 compared with $496,091 in August and $371,134 in October, 1936. During the first ten months of the year, sales increased 20.3 per cent to $3,559,322 as compared with the same period of 1936.

Shipments of lime from Canadian kilns totalled 47,301 tons in October compared with 42,125 in the previous month and 46,132 in October, 1936. Total shipments during the ten months were 448,722 tons compared with 380,197 in the ten months of 1936.

Wheat Stocks in Store

Canadian wheat in store for the week ending December 24 amounted to 58,838,944 bushels compared with 60,349,518 in the previous week and 115,539,453 in the same week of 1936. Stocks of Canadian wheat in the United States in the latest week totalled 4,834,000 bushels compared with 5,315,000 a week ago and 28,187,544 a year ago. There were 1,861,765 bushels of American wheat in Canada as compared with nil last year. Canadian wheat in rail transit amounted to 4,112,782 bushels compared with 4,263,763 in 1936; there was no wheat in transit on the lakes, owing to the close of navigation.

Primary Movement of Wheat

Marketings of wheat in the Prairie Provinces during the week ending December 24 amounted to 1,494,284 bushels as compared with 1,329,218 in the previous week and 2,111,700 a year ago. Total marketings from August 1 to December 24 were 97,666,283 bushels as compared with 136,927,294 in the same period of the previous crop year.

Overseas Export Clearances of Wheat

Overseas export clearances of wheat during the week ending December 24 amounted to 2,032,583 bushels as compared with 2,465,546 in the corresponding week last year; imports of Canadian wheat into the United States for consumption and milling in bond totalled 23,000 bushels as compared with 339,000. Aggregate clearances from August 1 to December 24 were 41,684,353 bushels as compared with 82,551,523 in the same period of the previous crop year, while imports into the United States were 1,914,839 bushels compared with 26,932,847, respectively.

New Motor Vehicle Sales in November

Impetus to sales occasioned by the fall showing of 1938 models resulted in a sharp upward swing in new motor vehicle sales during November, when 8,152 vehicles sold for $8,989,170 compared with 5,847 at $6,552,261 for October. A comparison with November 1936 totals of 5,605 vehicles at $6,101,154 reveals advances of 45.4 per cent in number and 47.3 per cent in amount. Passenger car sales totalled 6,851, a gain of 40.4 per cent over last year's total. During the eleven months of the year, 135,728 vehicles sold for $139,443,045, an improvement of 30.6 per cent in number and 29.2 per cent in amount over the same period of 1936.

Production of Coal and Coke

Coal production in Canada during November amounted to 1,622,270 tons compared with 1,467,155 tons a year ago and 1,423,886 tons, the average for the month during the past five years. Total production during the eleven months ended November was 14,110,064 tons as compared with 13,732,101 in the corresponding period of 1936.

Imports of coal during November advanced to 1,854,448 tons from the November, 1936, total of 1,598,631 tons and the five year average of 1,510,926 tons. Anthracite imports amounted to 405,373 tons and bituminous 1,448,753. Anthracite imports from the United States totalled 232,517 tons, from Great Britain 128,733, and Germany 44,045. Bituminous imports from the United States totalled 1,434,385 tons. Canada exported 26,413 tons of coal compared with 47,652 a year ago. The total made available for consumption during the month was 3,450,305 tons compared with 3,018,134.

Production of coke, except petroleum coke, amounted to 217,132 tons compared with 218,077 in the previous month and 208,432 in November, 1936. The cumulative total for the eleven months of the year was 2,348,341 tons against 2,195,022 in the same period of 1936.

Births, Deaths and Marriages in Six Months

There were 109,992 births in Canada during the first six months of 1937 as compared with 113,267 in the same period of 1936, giving an equivalent annual rate of 20.0 per 1,000 population as compared with 20.7; illegitimate births numbered 4,531 compared with 4,878, the percentage of total live births being 4.1 compared with 4.3. There were 3,197 stillbirths as compared with 3,324, the percentage of total births being 2.8 compared with 2.9. The deaths were 59,479 as compared with 55,848, the rate being 10.8 as compared with 10.2. The number of marriages was 35,512 as compared with 32,851, with a rate of 6.4 as compared with 6.0.

Bank Debits in November

The amount of cheques cashed at the branch banks in November was $2,926,000,000 as compared with $2,906,000,000 in the previous month and $3,303,000,000 in November, 1936. The decline of 11.4 per cent from November last year was due mainly the slackening in speculative activity. The totals follow by economic areas, with figures for November 1936 in brackets: Maritime Provinces, $58,904,206 ($63,147,789); Quebec, $922,945,099 ($1,087,962,853); Ontario, $1,341,768,937 ($1,503,802,011); Prairie Provinces, $434,863,449 ($472,481,036); British Columbia, $167,134,153 ($175,167,956).

Owing to the decline in the Prairie Provinces, the cumulative total of bank debits for the first eleven months of 1937 was 1.4 per cent less than in the same period of 1936, the total being $32,084,646,370 compared with $32,524,014,857. The amounts follow by areas: Maritimes, $662,857,109 ($573,748,930); Quebec, $10,525,767,190 ($9,879,672,830); Ontario, $14,501,478,482 ($14,137,747,234); Prairie Provinces, $4,473,892,212 ($6,053,183,-251); British Columbia, $1,920,651,377 ($1,879,662,612).

Reports Issued during the Week

1. Cement, Clay and Lime Production, October.
2. Registration of Births, Deaths and Marriages, November.
3. Exports of Rubber and Insulated Wire and Cable, November.
4. Exports of Meats, Lard and Sausage Casings, November.
5. Imports of Milk and Its Products and Eggs, November.
6. Imports of Petroleum and Its Products, November.
7. Exports of Paints and Varnishes, November.
8. Summary of Imports, November.
9. Retail Sales in Country General Stores, November.
10. Preliminary Estimate of Canada's Mineral Production, 1937 - For Release by Press January 1, 1938.
11. Sugar Report - November 13 to December 4, 1937.
12. Monthly Traffic Report of Railways, September.
13. New Motor Vehicle Sales, November.
14. Weekly IndexNumbers of Wholesale Prices.
15. The December Employment Situation.
16. Bank Debits to Individual Accounts, November.
17. Preliminary Report on the Manufactures of Non-Ferrous Metals, 1936.
18. The Men's Factory Clothing Industry and Clothing Contractors, 1936.
19. Canadian Grain Statistics.
20. Carloadings.
21. Births, Deaths and Marriages, Second Quarter of 1937.
22. Copper and Nickel Production, October.
23. Silver, Lead and Zinc Production, October.
24. Output of Central Electric Stations, November.
25. World Price Movements.
26. Security Prices and Foreign Exchange.
27. Factory Sales of Electric Storage Batteries, Third Quarter, 1937.

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