

# WEEKLY BULLETIN

Dominion Bureau of Statistics

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## Weekly Review of Economic Conditions

The six major factors indicating the trend of economic conditions in the second week of February averaged lower. High-grade bond prices recorded an advance, while wholesale prices were maintained at the same level as in the preceding week. A slight gain was recorded in carloadings after seasonal adjustment. Recessions in common stock prices and in the number of shares traded on the stock exchanges, were of a minor character. Bank clearings declined sharply, the adjusted index dropping from 100.9 to 90.5.

The average of economic indicators followed somewhat the same pattern in the first seven weeks of the year as in the corresponding period of 1937. The level of last year was considerably higher than obtained during recent weeks. Two of the six major factors showed a lead in the second week of February over the same week of 1937. Wholesale prices and capitalized bond yields occupied higher territory, while the other four indexes showed a decline.

The railway freight movement recorded a slight gain in the fifth week of the year, the adjusted index advancing from 79.9 to 80.0. The movement of pulpwood, ore and manufactured goods has shown a gain over the first five weeks of 1937. Due to declines in eight commodity groups, a deficit of 6,576 cars was shown from the cumulative for the five weeks of last year.

Wholesale prices were fully maintained in the week ended February 11, the index remaining unchanged at 83.6. Animal products and textiles recorded gains, while a minor decline was shown in non-ferrous metals. The index for crop products remained unchanged at 87.2. The index of wholesale prices has shown a lead over the corresponding weeks of 1937, the gain in the week under review having been 1.6 p.c. Wholesale prices showed an advance during the first quarter of 1937, and the level reached in April was somewhat above the present standing. No. 1 Northern wheat averaged lower at 144  $\frac{5}{8}$  against 147  $\frac{1}{2}$  in the week of February 5. Oats was unchanged from the preceding week while gains were shown in barley and rye.

Metals were uneven on the London exchange, electrolytic copper dropping from £42 10s on February 8 to £42 on the 15th. A gain was recorded in standard copper and tin. Lead remained unchanged while zinc receded from £14 to £13 16s 3d. The export price of copper in New York dropped from 9.62 to 9.50. The price of zinc was maintained at 4.75 while lead recorded a decline.

Reflecting the influence of advances in British Consols and government bonds of the United States, the high-grade market in Canada showed an advance. The index of capital bond yields moved up from 150.6 to 151.5, a gain of 0.6 p.c. The 3's of 1950-55 advanced from 97  $\frac{1}{2}$  on February 8 to 92  $\frac{5}{8}$  on the 15th. During the first quarter of last year, bonds showed a sharp reaction and as the present level is relatively high, a gain is now being shown over the same week of last year. The index of capitalized yields recorded a gain of 1.1 p.c. over the same week of 1937 and it is anticipated that the lead will show progressive increases for some time.

Common stock prices were nearly maintained in the week under review, the index receding from 105.9 to 105.7. The deficit from the same week of 1937 was 24.2 p.c. After showing an advance for the first four weeks of the year, the gain has been partly counterbalanced by the reaction of the last three weeks. In the week ended February 11 four of the 9 industrial groups recorded gains over the week of February 3. Utilities reached a lower position, the index of power and traction stocks receding from 63.4 to 62.8.

The economic index based on the above-mentioned major factors receded from 109.6 in the week of February 5, to 108.2 in the week under review. Two of the six economic indexes showed advances while one was unchanged, the net result being a decline of 1.3 p.c. The economic index last year showed a decline from the beginning of February to July, but the standing in the week under review was 7.3 p.c. below the same week of last year. The index at that time was 116.6.



WEEKLY ECONOMIC INDEX WITH THE SIX COMPONENTS  
1926-100

Week Ended	Car load-ings <sup>1</sup>	Whole-sale Prices	Capitalized Bond Yields <sup>2</sup>	Bank Clear-ings <sup>3</sup>	Prices of Common Stocks	Shares Traded	Economic Index <sup>4</sup>
Feb. 13, 1937	82.48	82.3	149.9	111.4	139.5	411.5	116.6
Feb. 5, 1938	79.94	83.6	150.6	100.9	105.9	95.1	109.6
Feb. 12, 1938	79.94	83.6	151.5	90.5	105.7	94.6	108.2

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 February 11 amounted to 50,682,546 bushels compared with 52,210,581 in the previous week and 94,909,816 in the corresponding week last year. The amount of Canadian wheat in the United States was 2,641,000 bushels compared with 2,883,000 a week ago and 22,466,457 a year ago. Wheat in rail transit amounted to 1,947,290 bushels compared with 2,189,518 in the previous week and 2,210,764 in 1937. Stocks of American wheat in Canada totalled 1,408,274 bushels in the latest week compared with 1,431,134 in the week before and nil last year.

The wheat stocks in the elevators in Canada during the week under review totalled 48,041,546 bushels compared with 49,327,581 in the previous week and 73,349,613 for the corresponding week last year. The location was as follows: Western Country Elevators, 15,005,000 bushels; Interior Terminals, 5,706,751; Vancouver-New Westminster, 2,563,142; Prince Rupert, 292,279; Churchill, 11,820; Fort William and Port Arthur, 11,506,745; Eastern Elevators Lake and Seaboard Ports, 7,857,670 and 3,150,849 bushels, respectively.

Primary Movement of Wheat

Wheat marketings in the Prairie Provinces for the week ending February 11 amounted to 628,280 bushels compared with 572,589 in the previous week and 470,904 in the corresponding week last year. During the twenty-eight weeks ended February 11, there were 105,062,497 bushels of wheat received from the farms compared with 142,114,321 in the corresponding period of the previous crop year.

Overseas Export Clearances of Wheat

Overseas export clearances of wheat during the week ended February 11 amounted to 1,733,048 bushels compared with 1,429,998 in the same week last year. Total clearances from August 1 to February 11 were 50,419,682 bushels compared with 96,864,634 in the same period last year.

Character of January Exports

The value of Canada's domestic exports in January was \$11,220,000 lower than in January, 1937; the total in the latest month was \$71,022,000 compared with \$82,242,000 a year ago. All of the main commodity groups recorded declines, with the exception of Iron and Its Products and Miscellaneous Commodities. Wheat exports were worth \$8,922,000 compared with \$11,974,000 a year ago; raw furs, \$3,607,000 compared with \$5,576,000; fish, \$2,421,000 compared with \$2,470,000; meats, \$3,717,000 compared with \$3,381,000; newsprint paper, \$7,710,000 compared with \$9,876,000; planks and boards, \$2,487,000 compared with \$3,338,000; wood pulp, \$2,150,000 compared with \$3,073,000; automobiles, \$1,971,000 compared with \$1,883,000; copper, \$3,951,000 compared with \$2,834,000; nickel, \$5,579,000 compared with \$3,656,000; lead, \$943,000 compared with \$1,744,000; gold bullion other than monetary, nil compared with \$5,091,000.



### Tourist Trade in 1937

The total expenditures of foreign tourists in Canada during 1937 were approximately \$295,000,000 and the total expenditures of Canadian tourists in other countries, approximately \$123,000,000, according to a preliminary estimate made by the Dominion Bureau of Statistics. The corresponding estimates for 1936 were \$249,000,000 and \$107,000,000, respectively. The favourable balance accruing to Canada on tourist trade account may, therefore, be placed somewhere in the neighbourhood of \$172,000,000 as compared with \$142,000,000 in 1936.

Travellers entering Canada via ocean ports in 1937 numbered 15,115 as compared with 12,924 in 1936. Their expenditures were estimated at \$13,899,000 compared with \$10,446,000. There were 3,127,352 automobiles entering Canada for a period not exceeding 48 hours compared with 2,380,265 in 1936. Those entering for a period not exceeding 60 days totalled 1,383,130 compared with 1,192,935. The expenditures of motor tourists were estimated at \$182,112,000 compared with \$153,503,000 in 1936. Tourist entries by rail numbered 894,956 while those by steamer numbered 267,566. The estimated expenditures were \$53,429,000 for those who entered by rail compared with \$49,877,000, and \$20,164,000 for steamer travellers compared with \$14,967,000.

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### Trade during the Calendar Year

Canada's trade during the calendar year 1937 recorded a substantial increase over the value reported for 1936; the total was \$1,933,856,337 compared with \$1,663,092,798. Domestic exports totalled \$1,110,192,151 compared with \$1,015,205,435; imports were \$808,896,325 compared with \$635,190,844. The re-export of foreign produce amounted to \$14,767,861 compared with \$12,696,519. The duties collected during the year aggregated \$104,807,698 compared with \$87,775,082 in the calendar year, 1936.

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### Bank Debits to Individual Accounts

Financial transfers in the form of cheques cashed against individual accounts by the branch banks in the thirty-two clearing centres showed a decline of two per cent in 1937 from the preceding year, the total being \$35,166,061,000 compared with \$35,928,607,000 in 1936. Four of the five economic areas recorded increases in this comparison, the Prairie Provinces being the exception.

The totals follow by areas, with those for 1936 in brackets: Ontario, \$15,939,149,000 (\$15,778,679,837); Quebec, \$11,568,421,542 (\$10,938,647,731); Prairie Provinces, \$4,827,407,000 (\$6,505,513,677); British Columbia, \$2,098,109,246 (\$2,075,358,484); Maritime Provinces, \$733,359,446 (\$630,402,014).

The economic year was more favourable than indicated by the statistics of bank debit. The index of the physical volume of business based on 46 factors averaged 122.7 in 1937 against 112.2 in the preceding year, a gain of 9.4 per cent. The gain in manufacturing employment was 10.6 per cent. Wholesale prices maintained a higher level, averaging 13.4 per cent above the preceding year. While common stock prices declined sharply in the last quarter of 1937, the monthly average for the year under review was 6.5 per cent higher than in 1936.

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### Production of Crude Petroleum

The calendar year 1937 witnessed a large increase in the output of crude petroleum in Canada. There were 2,995,025 barrels produced during the year compared with 1,507,931 in 1936. This was a gain of nearly 100 per cent. Alberta fields produced 2,796,908 barrels in 1937 compared with 1,302,442 in 1936; Ontario, 164,197 barrels compared with 165,495, and New Brunswick 22,549 barrels compared with 16,595.

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### Production of Natural Gas

Natural gas production during the calendar year 1937 amounted to 27,918,530,000 cubic feet compared with 28,113,348,000 in 1936. During the last month of the year 3,634,389,000 cubic feet were produced compared with 2,882,059,000 in the previous month and 3,291,649,000 in December, 1936.

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### Feldspar and Salt Production

The Canadian production of feldspar during the calendar year 1937 amounted to 20,705 tons compared with 17,846 in 1936. The output of commercial salt totalled 256,170 tons compared with 225,434 in 1936.

### Gypsum Production

An increase of nearly 26 per cent was shown in the production of gypsum during the year 1937 in comparison with the previous year, the totals being 1,047,721 and 833,822 tons, respectively. The Canadian output during December amounted to 71,272 tons compared with 95,066 in the previous month and 59,303 in December, 1936.

### Production of Gold

The production of gold in Canada during 1937 amounted to 4,090,621 ounces valued at \$143,123,330 compared with 3,748,028 valued at \$131,293,421 in 1936. Ontario fields accounted for 2,578,914 ounces compared with 2,378,503 in 1936; Quebec, 710,648 ounces compared with 666,905; British Columbia, 507,420 compared with 451,938; Manitoba and Saskatchewan, 226,045 ounces compared with 188,254; Yukon, 47,663 compared with 50,358 and Nova Scotia 19,885 ounces compared with 11,960.

### Asbestos Production

Canadian producers reported shipments of asbestos amounting to 408,813 tons during the calendar year 1937, compared with 301,287 in 1936 and 210,467 in 1935. During the last month of the year, 28,686 tons were produced compared with 37,625 in the previous month and 21,645 in December, 1936.

### Production of Cement, Clay and Lime

There were 412,845 barrels of Portland cement produced in Canada during November compared with 770,730 in the previous month and 287,595 in November, 1936. Output of lime in the latest month amounted to 46,575 tons compared with 47,301 in October and 45,247 in November, 1936. Sales of clay and clay products aggregated \$442,238 compared with \$469,080 in the previous month and \$292,802 in the corresponding month of 1936.

Considerably greater production was shown in each of the above during the eleven months ending November in comparison with the corresponding period of 1936. The production of Portland cement was 5,953,270 barrels compared with 4,376,425; lime, 495,297 tons compared with 425,444; clay products, \$4,001,560 compared with \$2,252,607.

### Building Permits in January

The value of building authorized by 58 cities in January showed a seasonal decline compared with the previous month, but the total was somewhat higher than in January, 1937. The co-operating municipalities issued permits for building estimated to cost \$1,846,101 compared with \$3,556,977 in December, 1937, and \$1,721,867 in January of last year. There was, therefore, a reduction of 48.1 p.c. in the first comparison, but an increase of 7.2 per cent in the second and more significant comparison.

### Freight Traffic in November

There were 7,680,648 tons of revenue freight carried on railways of Canada during November compared with 8,418,658 in the previous month and 7,018,819 in November, 1936. Products of the mine totalled 3,128,897 tons compared with 2,642,718 a year ago; agricultural, 1,689,616 tons compared with 1,579,612; forest, 661,605 tons compared with 719,575; animal, 222,417 tons compared with 242,486; manufactures and miscellaneous, 1,978,113 tons compared with 1,834,428.

### Factory Sales of Electric Storage Batteries

Sales of electric storage batteries and parts during 1937 were valued at \$4,026,223 compared with \$3,362,271 in 1936 and \$3,168,774 in 1935. Included in the 1937 sales were 656,488 batteries for internal combustion engines, 2,984 for motorcycles, 18,664 cells for farm lighting plants and 5,698 cells for railway service.





### Cost of Living

The Dominion Bureau of Statistics cost of living index for Canada showed a net increase of 3.1 per cent for 1937. This was the largest rise in any year since living costs commenced to move upward in 1933. Advances of approximately 5 per cent in foods and rents were chiefly responsible, although clothing and miscellaneous items including household equipment, also moved higher. Fuel and lighting recorded a small fractional decrease, marking the third year of gradual decline. Fuels are now appreciably lower than in 1933 when living costs generally reached the lowest levels of the depression. The Bureau's cost of living index for December 1937 of 84.3 showed a net increase of 2.5 points for the year, but remained approximately 20 per cent below pre-depression levels.

A Dominion retail price index for 46 foods advanced, with two minor setbacks, from 75.3 in December 1936 to 79.1 in December 1937. Meats were responsible in large part for this rise, in spite of substantial declines in beef and pork during the last three months that cancelled much of earlier gains. Milk, butter, flour, bread, rolled oats, and sugar also moved considerably higher. The effect of these increases was partly balanced by sharp reductions for potatoes and lesser ones for eggs and dried beans. The slight downward drift in fuel costs has been due chiefly to small decreases in coal and coke price levels. House and apartment rents have been moving steadily upward since 1934, with the rise of 4.8 per cent in 1937 indicative of an acceleration in this tendency. The advance in clothing prices of 2.4 per cent represents the continuation of a trend dating back to 1935.

### Domestic Exports to the United States

Domestic exports in January to the United States of leading commodities affected by the Canada-United States Agreement amounted in value to \$13,961,309 compared with \$20,110,842 in January, 1937. The following were amongst the exports, with the figures of a year ago in brackets: screenings, \$52,404 (\$54,472); hay, \$25,792 (\$122,961); maple sugar, \$5,651 (\$17,371); alfalfa seed, \$88,031 (\$152,328); alsike seed, \$13,642 (\$70,991); grass seed, \$21,466 (\$7,210); seed potatoes, \$2,043 (\$72,294); potatoes, \$69 (\$47,203); turnips, \$122,964 (\$76,214); whiskey, \$1,011,275 (\$1,442,141); dairy cattle, \$35,041 (\$24,634); beef cattle, \$234,986 (\$1,257,831); horses, \$39,367 (\$122,021); poultry, \$65,471 (\$24,997); halibut, \$16,618 (\$1,120); sea herring, \$6,314 (\$14,068); lobsters, \$172,019 (\$215,392); salmon, \$16,121 (\$15,450); smelts, \$190,873 (\$171,472); tulibee, \$19,029 (\$15,906); whitefish, \$198,404 (\$184,299).

Cheese was worth \$22,298 compared with \$62,181; firewood, \$23,323 (\$29,008); laths, \$29,428 (\$63,828); logs, \$42,247 (\$94,559); softwood planks and boards, \$635,436 (\$969,160); hardwood planks and boards, \$67,999 (\$182,273); poles, \$41,016 (\$75,019); pulpwood, \$667,648 (\$334,600); shingles, \$441,974 (\$524,806); wood pulp, \$1,489,875 (\$2,729,286); newsprint, \$6,124,124 (\$7,923,161); ploughs and parts, \$21,258 (\$60,805); reaper-threshers, \$61,594 (nil); farm implement parts, \$31,084 (\$19,612); ferro-silicon, \$36,479 (\$12,464); nickel in matte or speiss, \$117,584 (\$162,050); nickel in oxide, \$9,190 (\$117,244); abrasives, \$283,040 (\$419,795); asbestos, \$389,829 (\$308,122); asbestos sand and waste, \$125,017 (\$196,526); gypsum, \$77,433 (\$57,836); cyanamid, \$304,698 (\$288,099).

### Grain Situation in Argentina

The correspondent of the Dominion Bureau of Statistics in Buenos Aires reports under date of February 2 that the first official estimate of the acreage planted to maize was 14,703,000 acres compared with 15,973,000 in 1936-37 and the five-year average of 16,566,000 acres.

The report points out that the planting of the crop was late because of abnormal conditions prevailing. The loss of extensive areas of wheat and linseed and the high prices ruling for grain at that time induced farmers to replant those areas with maize; otherwise there would certainly have been a greater decrease in the acreage of the latter.

The amount of grains still available for export at the end of January was as follows: wheat, 82,755,000 bushels; linseed, 43,197,000; maize, 12,261,000; oats, 8,130,000; barley, 15,804,000.



## Review of International Trade in Securities

The value of Canada's international trade in securities during 1937 was \$1,018,025,000 compared with \$834,258,000 in 1936. This was a gain of 22 per cent. Sales to other countries aggregated \$506,618,500 compared with \$421,114,531 in 1936, while purchases from other countries were \$511,407,045 compared with \$413,143,809.

Trade in securities with the United States had a total value of \$789,186,045 compared with \$681,724,212 in 1936. Sales to the United States totalled \$376,446,519 compared with \$336,702,936, and purchases \$412,739,526 compared with \$345,021,276.

Trade in securities with the United Kingdom totalled \$191,233,897 compared with \$131,523,242. Sales to the United Kingdom were worth \$105,675,280 compared with \$71,806,027, and total purchases \$85,558,617 compared with \$59,717,215.

## Building Permits

The building represented by the construction permits taken out in 58 centres in Canada was estimated to cost \$55,844,999 in 1937 compared with \$41,325,693 in 1936, a gain of 35.1 per cent. The total was substantially greater than in any year since 1931. In the seventeen years to 1936, the average value of the building authorized in the 58 cities was estimated annually at \$118,838,593, of which the 1937 authorizations constitute about 47 p.c.

The value of building represented by the permits issued by Toronto was \$11,258,900 compared with \$8,182,799 in 1936; Montreal, \$8,217,344 compared with \$6,905,323; Vancouver, \$6,760,880 compared with \$4,641,545; Windsor, \$2,524,699 compared with \$703,970; Ottawa, \$2,325,445 (\$1,781,555); Winnipeg, \$2,152,100 (\$1,407,450); Hamilton, \$1,694,189 (\$1,466,906); Halifax, \$1,488,326 (\$1,103,988).

## Reports Issued During the Week

1. Weekly Index Numbers of Wholesale Prices.
2. Gold Production, December.
3. Price Movements in 1937.
4. Sugar Report - January 2 to January 29, 1938.
5. The Flour and Feed Milling Industries, 1936.
6. Sales and Purchases of Securities, 1937.
7. Annual Review of Building Permits, 1937.
8. Monthly Traffic Report of Railways, November.
9. Factory Sales of Electric Storage Batteries, Fourth Quarter, 1937.
10. Production of Asphalt Roofing, January.
11. Sales of Asphalt Roofing, January.
12. Building Permits, January.
13. Cotton Textile Industry, 1936.
14. Canadian Grain Statistics.
15. Summary of Domestic Exports, January.
16. Bank Debits to Individual Accounts, 1937.
17. Fruit and Vegetable Preparations Industry, 1936.
18. Feldspar and Salt Production, November.
19. Cement, Clay and Lime Production, November.
20. Feldspar and Salt Production, December.
21. Petroleum and Natural Gas Production and Gasoline Sales, December.
22. Canada's Tourist Trade, 1937.
23. Asbestos Production, December.
24. Gypsum Production, December.
25. Summary of Exports of Grains and Flour, January.
26. The Grain Situation in Argentina.
27. Telephone Statistics, 1936.
28. Security Prices and Foreign Exchange.
29. Canada's Trade, December.
30. Carloadings on Canadian Railways.
31. Statistics of Steam Railways of Canada, 1936.

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