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DEPARTMENT OF TRADE AND COMMERCE

DOMINION BUREAU OF STATISTICS

GENERAL STATISTICS BRANCH

BUSINESS CONDITIONS IN CANADA

during the first nine months of 1934

compared with the

same period of 1933

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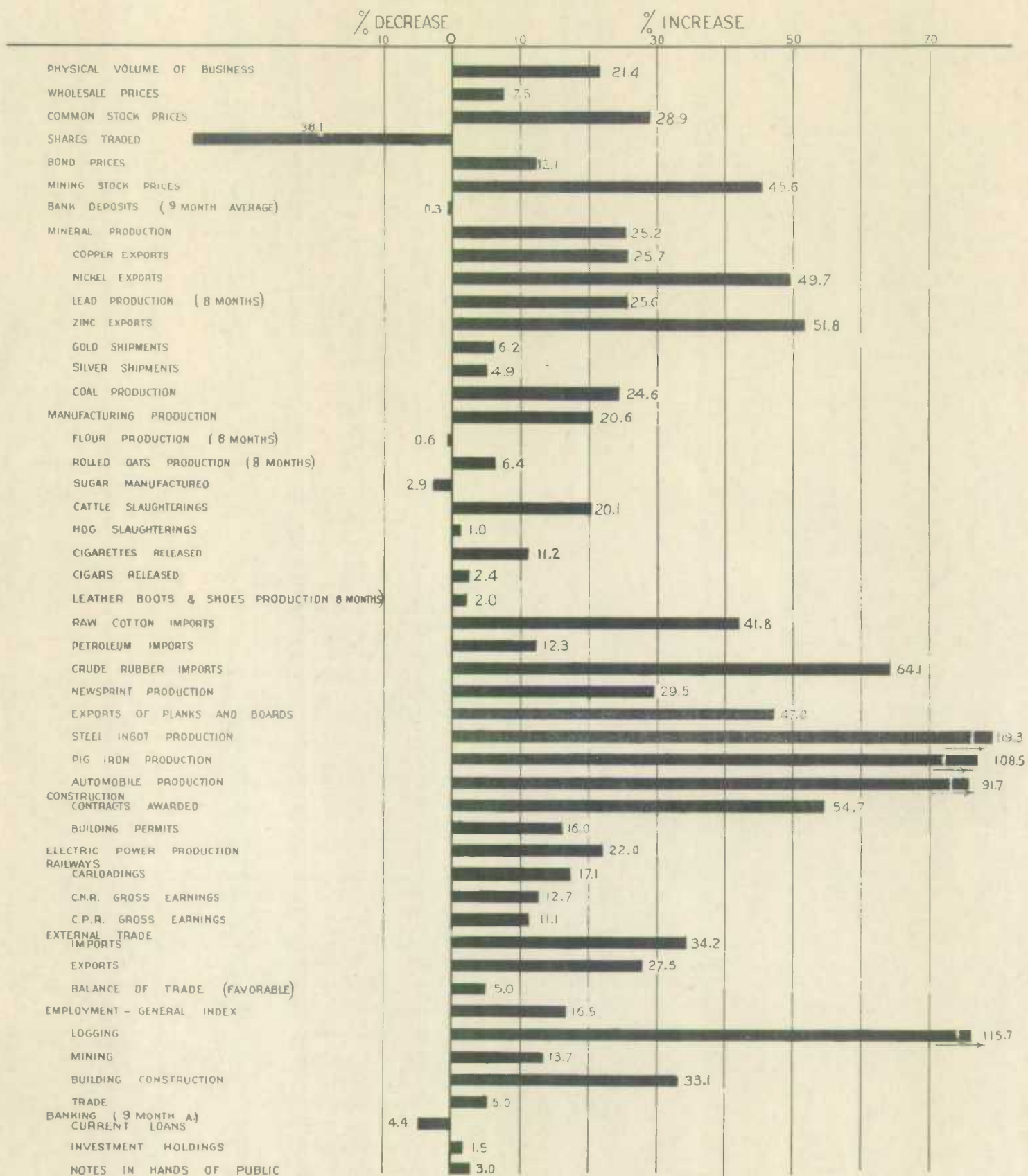
OTTAWA

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THE ECONOMIC SITUATION OF CANADA

FIRST NINE MONTHS OF 1934
COMPARED WITH
THE SAME PERIOD OF 1933



DOMINION BUREAU OF STATISTICS, OTTAWA .
GENERAL STATISTICS BRANCH .

Dominion Statistician:	R. H. Coats, LL.D., F.R.S.C., F.S.S. (Hon.)
Chief, General Statistics Branch	S. A. Cudmore, M.A., F.S.S.
Business Statistician:	Sydney B. Smith, M.A.

BUSINESS CONDITIONS IN CANADA DURING THE FIRST NINE MONTHS OF 1934
COMPARED WITH THE SAME PERIOD OF LAST YEAR

The receipt of information regarding the first nine months of 1934 sheds further light on the extent of the business recovery. The level of productive operations was much higher than in the corresponding months of 1933, the index of the physical volume of business based on 45 factors averaging 94.0 in the elapsed period of 1934 compared with 77.4 in the same period of last year. The gain of 21.4 p.c. in a representative index of this kind is evidence of a marked resumption of business and productive enterprise over the levels of last year.

The change in wholesale prices was relatively moderate, but even here the official index of 567 commodities averaged 7.5 p.c. higher during the first nine months of 1934. The average for the wholesale price index was 71.7 compared with 66.7 in the first nine months of 1933. During the present year, stability has characterized the commodity price level, narrow fluctuation being shown about the 72 p.c. line with 1926 being regarded as the base equalling 100. The index averaged 71.7 in the first nine months of 1934 compared with 66.7. Last year opened with the index at 63.8 and further decline was shown in February. There followed five months of advance constituting the main factor in establishing the present relatively favourable level.

The fluctuations in common stock prices were more spectacular. The price index of stocks traded on the Canadian exchanges averaged 66.5 during the first nine months of 1933. The average during the present year was 85.7, the indicated gain being no less than about 29 p.c. The marked gain of the last two years was shown from March to July 1933. The further advance during the early months of the present year was mostly offset by subsequent reaction.

One of the most significant developments of the first nine months of the present year was the pronounced advance in high grade bond prices. Considerable gain had already been recorded from the early months of 1932 to the end of 1933 but the spectacular advance was mainly confined to the elapsed period of the present year. The yield on Dominion Government bonds in September was lower than at any time since pre-war days. The yield on Ontario government bonds averaged 3.93 p.c. last month, the lowest point since 1911. A low level of long term interest rates is an incentive toward the production of investment goods. The cost of capital is an important consideration in undertakings involving the construction of plant and equipment.

It is an interesting development that many of the industries which shared in the prosperity phase of the last cycle, are now participating in the marked expansion of the last eighteen months. Mining is one of the industries which must be included in this category. The index of mineral production based on nine factors rose from 107.0 in the first nine months of 1933 to 134.0 in the elapsed period of the present year, a gain of no less than 25.2 p.c. Copper exports at 211,600,000 pounds showed a gain of nearly 26 p.c., while nickel exports at 94,189,000 pounds recorded an increase of 49.7 p.c. The percentage gains in the production and outward shipments of lead and zinc were also large. Lead production in eight months at 218,300,000 pounds compared with 173,800,000 showed a gain of 25.6 p.c., and zinc exports in the nine months at 200,900,000 pounds were up 51.8 p.c.

Shipments of gold and silver showed gains of a more moderate character, the increases being 6.2 p.c. and 4.9 p.c., respectively. Gold shipments to the Mint and external points were 2,280,000 ounces compared with 2,147,000. The shipments of silver were 10,502,000 ounces compared with 10,082,000. The revival in coal mining from 7,621,000 tons to 9,498,000 was a pleasing development. From March to September a wide margin was shown over the output of the corresponding months of 1933, the net gain being 24.6 p.c. in the nine months' comparison.

The expansion in manufacturing operations since the first of last year was pronounced, the index based on 29 factors having been close to the 100 p.c. line in recent months compared with about 60 in January 1933. During the first nine months of this year the index averaged 93.2 compared with 77.3 in the same period of last year, a gain of 20.6 p.c.

The gain of 41.8 p.c. in the imports of raw cotton for further manufacture by the textile industry represents considerable expansion in operations. Newsprint production..

was at a much higher level in 1934 especially in May and June, the gain over the first nine months of 1933 having been 29.5 p.c. The exports of planks and boards, indicating conditions in the lumber industry, at 1,026,000,000 feet showed a gain of 47 p.c. A considerably higher level of operations has been shown by the primary iron and steel industry. Steel ingot production showed a gain of 119.3 p.c., while the pig iron output was up 108.5 p.c.

The automobile and allied industries have participated fully in the revival of the last two years. The output of motor cars was up 91.7 p.c., the total in the last nine months being 108,681 units. Crude rubber imports at 46,992,000 pounds, showed a gain of 64 p.c. Such imports indicate mainly the increased preparation for the production of tires. Crude petroleum imports at 793,000,000 gallons showed a gain of 12.3 p.c.

While still at a low level, the operations of the construction industry showed appreciable gain over the first nine months of 1933. Contracts awarded were \$98,145,100, a gain of 54.7 p.c. Building permits in 61 cities remained at the low level of \$19,024,000 compared with \$16,394,000, the gain being limited to 16 p. c.

Electric power production has shown marked gain over the early months of 1933, reaching in May last, after seasonal adjustment, a new high point in the history of the industry. The gain in the nine months' production over that of the same period of last year was 22 p.c.

The railway freight movement made a consistently good showing in the first nine months of 1934, the gain in loadings over the same period of last year being 17 p.c. The gross operating revenue of the Canadian lines of the Canadian National was 12.7 p.c. greater, while the revenues of the Canadian Pacific were up 11.1 p.c.

The volume of the external trade showed correlation with the betterment in Canadian business operations. The value of imports in the first nine months was \$377,000,000, a gain of 34.2 p.c. Exports of \$464,500,000 compared with \$364,200,000 showed a gain of 27.5 p.c. The increase in the favourable balance of trade was 5 p.c.

Statistics Illustrating the Economic Situation of Canada in the First
Nine Months of 1934 Compared with the Same Period of the
Preceding Year

	First Nine Months of		Increase(↓) Decrease(-)
	1933	1934	
<u>General Economic Situation -</u>			
Index of Physical Volume of Business	77.4	94.0	↑ 21.4
Wholesale Prices, Index based on			
567 Commodities	66.7	71.7	↑ 7.5
Index of Common Stock Prices	66.5	85.7	↑ 28.9
Shares Traded, Montreal and Toronto. Number	16,751,578	10,361,880	- 38.1
Bond Prices	102.1	114.5	↑ 12.1
Mining Stock Prices	89.6	130.5	↑ 45.6
Bank Deposits, 9-month average..... \$	1,868,621,000	1,863,680,000	- 0.3
<u>Production and General Business -</u>			
Mineral Production, 1926=100	107.0	134.0	↑ 25.2
Copper Exports	Pounds 168,417,500	211,639,300	↑ 25.7
Nickel Exports	Pounds 62,942,400	94,189,200	↑ 49.7
Lead Production (8 months)	Pounds 173,832,113	218,292,038	↑ 25.6
Silver Exports	Pounds 132,326,800	200,891,300	↑ 51.8
Gold Shipments	Ounces 2,147,454	2,280,165	↑ 6.2
Silver Shipments	Ounces 10,082,364	10,501,886	↑ 4.9
Coal Production	Tons 7,620,947	9,498,330	↑ 24.6
Manufacturing Production, 1926= 100	77.3	93.2	↑ 20.6
Milling -			
Flour Production (8 months) Barrels	9,009,001	8,955,632	- 0.6
Roll'd Oats Production (8 months)Pounds	66,276,958	70,491,983	↑ 6.4
Sugar -			
Sugar manufactured	Pounds 500,128,185	485,758,000	- 2.9
Meat Packing -			
Cattle Slaughtering	Number 816,639	980,772	↑ 20.1
Hog Slaughtering	Number 2,037,105	2,058,283	↑ 1.0
Tobacco Releases -			
Cigarettes released	Number 3,206,836,670	3,565,556,015	↑ 11.2
Cigars released	Number 77,949,232	79,824,525	↑ 2.4
Production of Leather Boots and			
Shoes (8 months)	Pairs 11,579,117	11,811,928	↑ 2.0
Raw Cotton Imports	Pounds 68,548,897	97,217,690	↑ 41.8
Paper and Lumber -			
Newspaper Production	Tons 1,452,961	1,882,227	↑ 29.5
Imports of Planks and Boards ... Feet	698,158,000	1,025,958,000	↑ 47.0
Iron and Steel -			
Steel Ingot Production	Long Tons 266,829	585,116	↑119.3
Pig Iron Production	Long Tons 133,870	279,090	↑108.5
Automobile and Allied Industries -			
Automobile Production	Number 56,689	108,681	↑ 91.7
Petroleum Imports	Gallons 705,947,486	792,865,934	↑ 12.3
Crude Rubber Imports	Pounds 28,639,581	46,991,935	↑ 64.1
Construction -			
Contracts Awarded	\$ 63,429,800	98,145,100	↑ 54.7
Building Permits	\$ 16,394,014	19,024,000	↑ 16.0
Electric power Production	K.W.H. 12,525,143,000	15,274,853,000	↑ 22.0
Railways -			
Carloadings	Number 1,451,567	1,699,095	↑ 17.1
Gross Revenue, C.N.R.	\$ 91,601,000	103,256,000	↑ 12.7
Gross Revenue, C.P.R.	\$ 81,868,000	90,950,000	↑ 11.1
External Trade -			
Imports	\$ 281,064,940	377,249,292	↑ 34.2
Exports	\$ 364,197,630	464,517,782	↑ 27.5
Favourable Balance of Trade	\$ 83,132,690	87,268,490	↑ 5.0

Statistics Illustrating the Economic Situation of Canada in the First
Nine Months of 1934 Compared with the Same Period of the
Preceding Year
(Concluded)

	First Nine Months of		Increase (+) Decrease (-)
	1933	1934	
<u>Employment - unadjusted</u>			
General Index, 1926 = 100.....	81.7	95.2	+ 16.5
Manufacturing	80.1	89.9	+ 12.2
Lumber and Products	54.4	66.0	+ 21.3
Pulp and Paper Products	85.2	91.4	+ 7.3
Rubber Products	78.2	92.0	+ 17.6
Textile Products	94.4	106.8	+ 13.1
Electrical Apparatus	89.1	101.3	+ 13.7
Iron and Steel Products	60.7	71.6	+ 18.0
Automobiles and Parts	70.3	94.7	+ 34.7
Non-Ferrous Metal Products	82.2	105.5	+ 28.3
Logging	52.2	112.6	+115.7
Mining	95.5	108.6	+ 13.7
Coal	82.7	86.2	+ 4.2
Metallic Ores	140.7	174.3	+ 23.9
Steam Railways	69.6	72.0	+ 3.4
Construction	70.7	110.0	+ 55.6
Building	34.4	45.8	+ 33.1
Highway	120.2	224.3	+ 86.6
Trade	111.1	116.7	+ 5.0
Retail	116.9	123.7	+ 5.8
Wholesale	97.5	100.7	+ 3.2
<u>Wholesale Prices - 1926= 100</u>			
(Monthly Average)			
Vegetable Products	59.9	66.6	+ 11.2
Animal Products	58.6	67.0	+ 14.3
Textiles	69.2	73.7	+ 6.5
Wood and Paper	62.2	65.7	+ 5.6
Iron and its Products	85.2	87.1	+ 2.2
Non-Ferrous Metals	63.7	64.7	+ 1.6
Non-Metallic Minerals	84.1	85.9	+ 2.1
Chemicals	81.5	81.5	-
Canadian Farm Products -			
Field	45.6	53.3	+ 16.9
Animals.....	58.2	66.6	+ 14.4
Totals	50.4	58.3	+ 15.7
Cost of Living	77.7	78.8	+ 1.4
Food	62.9	69.3	+ 10.2
Fuel	87.8	87.5	- 0.3
Rent	86.7	80.0	- 7.7
Clothing	67.3	70.1	+ 4.2
Sundries	92.7	92.7	-
Cost per week of a Family Budget.. \$	15.67	16.02	+ 2.2
<u>Banking - nine month's average</u>			
Demand Deposits	\$ 482,277,300	498,667,500	+ 3.4
Notice Deposits	\$ 1,386,344,000	1,365,013,000	- 1.5
Note Circulation (bank)	\$ 130,117,600	134,464,300	+ 3.3
Public Liabilities	\$ 2,496,112,000	2,507,429,000	+ 0.5
Current Loans	\$ 909,220,200	868,935,500	- 4.4
Call Loans - Canada	\$ 100,702,620	100,726,310	+ 0.02
Elsewhere	\$ 90,524,710	107,833,210	+ 19.1
Investment Holdings	\$ 832,198,300	844,880,000	+ 1.5
Notes in Hands of Public	\$ 149,504,800	154,005,600	+ 3.0
Issue of Dominion Notes	\$ 177,806,400	181,876,200	+ 2.3
Gold held by Finance Department			
Against Notes	\$ 69,784,880	69,930,060	+ 0.2

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