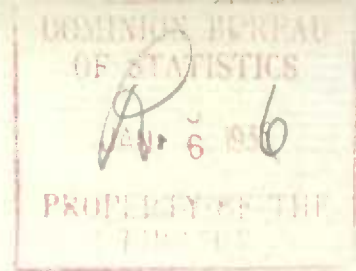


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C A N A D A

DEPARTMENT OF TRADE AND COMMERCE

DOMINION BUREAU OF STATISTICS

GENERAL STATISTICS BRANCH

BUSINESS CONDITIONS IN CANADA

during the first Eleven Months of 1935

compared with the

same period of 1933 and 1934

— + + + —

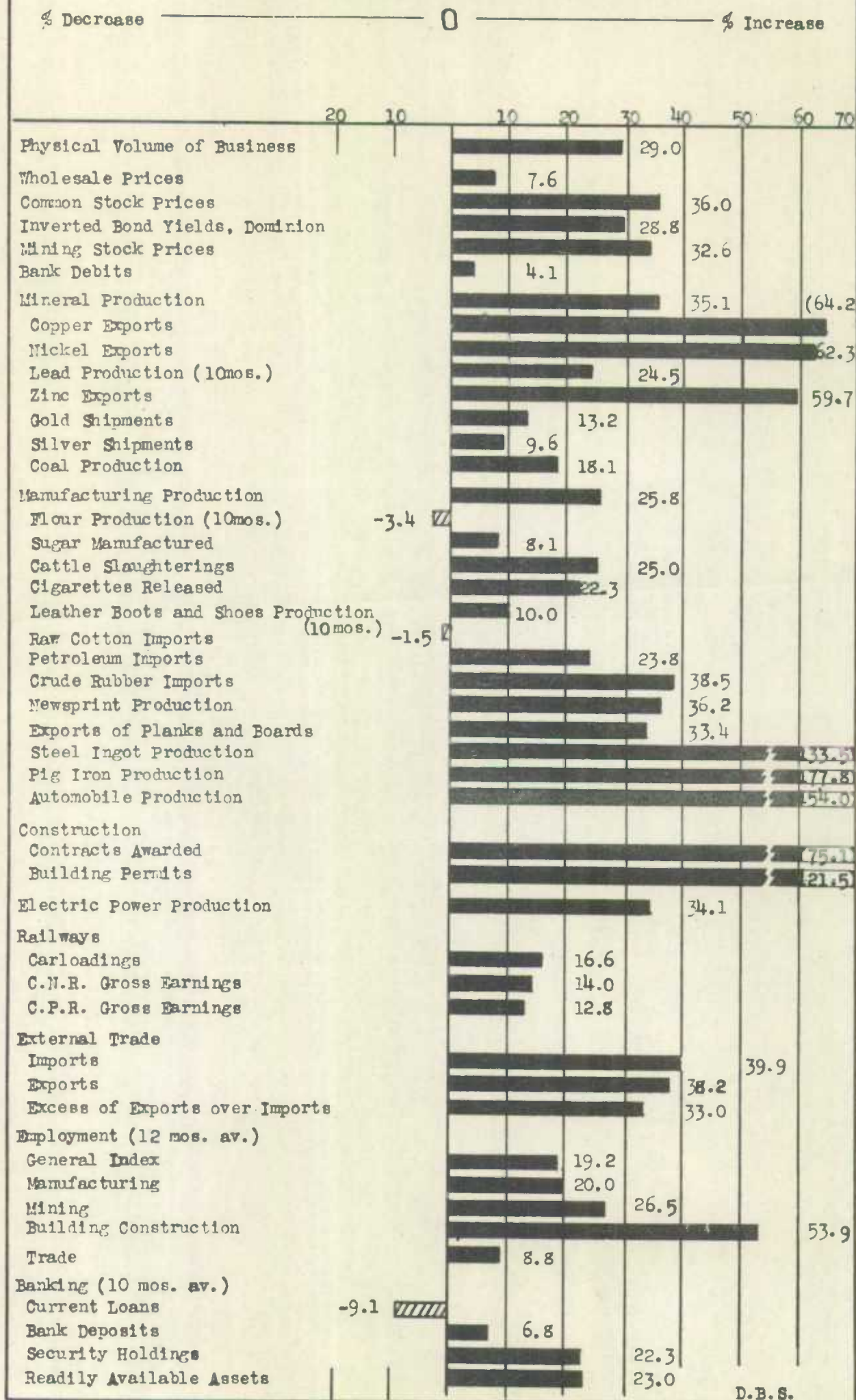
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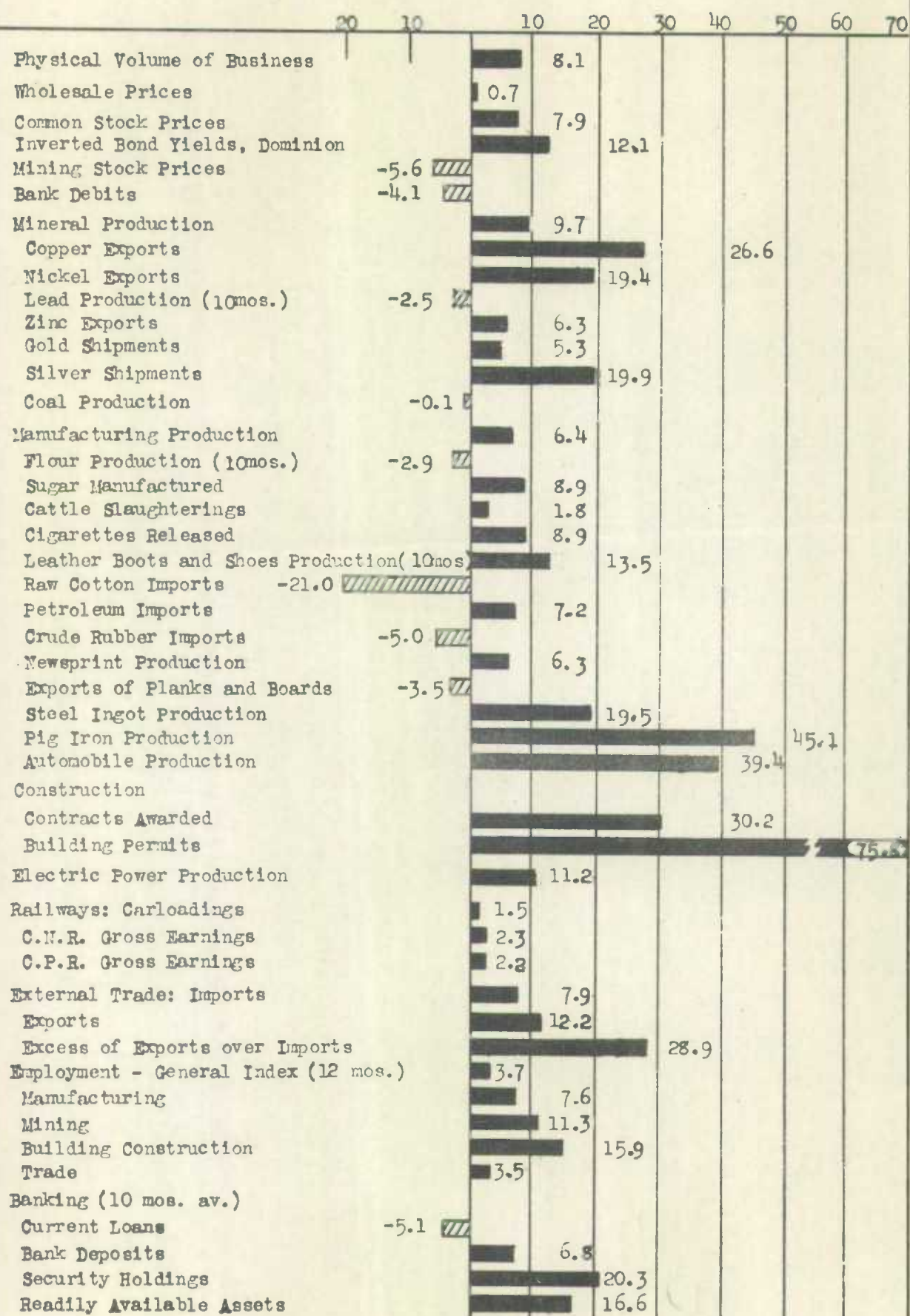
1936

The Economic Situation in Canada
in the first 11 Months of 1935
as compared with the same period of 1933.



The Economic Situation in Canada
in the first 11 months of 1935
as compared with the same period of 1934.

% Decrease ————— 0 ————— % Increase



DOMINION BUREAU OF STATISTICS, OTTAWA
GENERAL STATISTICS BRANCH

Dominion Statistician:
Business Statistician:

R. H. Coats, LL.D., F.R.S.C., F.S.S. (Hon.)
Sydney B. Smith, M.A.

BUSINESS CONDITIONS IN CANADA DURING THE FIRST ELEVEN MONTHS OF 1935
COMPARED WITH THE SAME PERIOD OF THE PRECEDING YEAR

The economic situation of Canada in 1935 showed moderate improvement over the preceding year. Advances were recorded in most of the factors regarded as significant in the study of cyclical fluctuations. Out of the 54 factors considered in this connection, 14 only showed decline in 1935 from the same period of the preceding year. The remaining factors recorded gains amounting to as high as 75 p.c. The main element in the betterment of economic conditions in 1935 was the recovery in productive operations and in common stock prices. Commodity prices averaged slightly higher but the tendency toward stabilization of the general level has been evident for two years.

Bond Prices

Government bond prices were maintained during the greater part of the year at about the high level reached in December, 1934. The decline in September was partially offset by the advance of the last quarter. The yield on Dominion government bonds averaged 3.57 p.c. in 1935 compared with 4.02 p.c. in the preceding year. The yield on Ontario government bonds averaged 3.76 p.c. against 4.15 p.c. in 1934. This maintenance of bond prices during the greater part of the year at the highest level since the pre-war period, has resulted in a marked betterment in the position of bondholders, and has created conditions favourable to industrial expansion and to investment on a broader scale.

Common Stocks

The resumption of industrial operations and the stabilized level of commodity prices favoured the revenue prospects of Canadian corporations in 1935. The low yields obtainable for high-grade bonds also tended to support the prices of well-seasoned common stocks. Despite the spectacular gain in stock prices from March to July, 1933, a further advance was recorded in the present year resulting in November in a new high point on the recovery movement. The average of the official index during the first eleven months of 1935 was nearly 8 p.c. greater than in the same period of 1934.

Employment

A considerably higher level of employment was maintained in 1935 than in the preceding year. The gain of employment in manufacturing plants, unaffected to any important extent by relief measures, has continued without important interruption since May 1933, when the turning-point of the employment cycle was reached. The index of manufacturing employment averaged 7.6 p.c. higher in 1935 than in the preceding year and the gain on December 1 over the same date of 1934 was 11.1 p.c. Contributing to that advance, most of the principal industries recalled their working forces in large numbers. The gain over December 1, 1934, in the iron and steel, textile and lumber industries was 21.6 p.c., 9.2 p.c. and 8.2 p.c., respectively. The mining industry recorded an average gain over 1934 of 11.3 p.c., the acceleration in metal-mining being of large proportions. The advance in building construction operations was also considerable, the gain in the monthly average for the year being no less than 15.9 p.c.

Productive Operations

The revival in productive operations was carried further in the year under review. The advance from the first quarter of 1933 was rapid for seven months, and the first five months of 1934 were also characterized by expansion. The net result was that the index of the physical volume of business on the base of 1926 averaged 102.0 in the first eleven months of 1935 compared with 94.4 in the same period of 1934. The gain of 8 p.c. represents the general betterment in mineral production, manufacturing, construction, electric power and distribution dealt with in detail below.

Mineral Production

The volume of mineral production, based on nine factors, was nearly 10 p.c. greater in the first eleven months of 1935 than in the same period of the preceding year. Copper exports reached a high level in 1935, the gain over the same months of 1934 being no less than 26.6 p.c. Exports of nickel in different forms recorded an increase of about 19.5 p.c. The outward shipments of zinc in the first eleven months were 6.3 p.c. greater than in the same period of the preceding year. Lead production in the first ten months recorded a recession of 2.5 p.c. Shipments of gold from Canadian mines to the Mint and to external points were 2,947,000 ounces compared with 2,798,000, a gain of 5.3 p.c. Silver shipments showed a gain of 20 p.c. in the same comparison. The production of coal was practically maintained in the year under review.

Manufacturing Production

A pronounced upward trend was shown in manufacturing operations during 1935. The official index based on 29 factors with seasonal adjustment was 118.5 in November compared with 88.9 in January, representing a gain of considerable proportions. A marked gain was also shown in 1934, the low point of the depression having been reached in February of the preceding year. The average of the index for manufacturing was 99.5 in the first eleven months of 1935 compared with 93.6 in the same period of the preceding year, a gain of 6.4 p.c.

The output of boots and shoes was 16,417,000 pairs compared with 14,464,000 in the same period of 1934, a gain of 13.5 p.c. The output of newsprint was 6.3 p.c. greater than in the first eleven months of 1934, while the exports of planks and boards declined 3.5 p.c., the total in the eleven months of 1935 being 1,226,000,000 feet.

The primary iron and steel industry was very much more active in 1935, suggesting revival in the industrial group producing durable goods. Steel ingot production at 836,474 tons recorded a gain of 19.5 p.c., while the output of pig iron at 529,147 tons was up 45 p.c.

The automobile and allied industries fared better in 1935 than in the preceding year. The output of motor cars at 159,159 recorded a gain of no less than 39.4 p.c. Crude rubber imports, indicating conditions in the tire industry, showed a decline of 5 p.c. The imports of crude petroleum at 1,101,000,000 gallons were up 7.2 p.c. over the same period of 1934.

Construction

The construction industry, favoured by the placing of contracts by the Dominion Government for public works, was more successful in obtaining new business than in 1934. The contracts awarded in the first eleven months at \$155,940,000, recorded a gain of 30.2 p.c. over the same period of 1934. Building permits placed in principal cities at \$43,847,000 showed a gain of nearly 76 p.c.

Electric Power

The output of electric power exceeded in 1935 not only the records of the preceding year but also of any other year in the history of the industry. The output in the first eleven months, at 21,248,000,000 kilowatt hours compared with 19,107,000,000 in the same period of 1934, recorded a gain of 11.2 p.c.

Railways

Moderate gain was shown in the revenue freight handled by the railways of Canada during 1935. The gain in the freight movement was 1.5 p.c., the total in the first eleven months of 1935 being 2,185,000 cars compared with 2,153,000 in the same period of the preceding year. The gross operating revenue of the Canadian National on the Canadian lines showed a gain of 2.3 p.c. to \$132,290,000 from \$129,334,000 in the first eleven months of 1934. The gross operating revenues of the Canadian Pacific in the same comparison were \$117,548,000 against \$114,989,000, a gain of 2.2 p.c.

External Trade

The considerable gain in external trade was a feature of the economic betterment of the year. Exports in the first eleven months of 1935 at \$671,800,000, recorded a gain of 12.2 p.c. over the same period of the preceding year. The value of imports advanced from \$474,400,000 to \$511,700,000, a gain of nearly 8 p.c. Owing to the greater percentage gain in exports, the favourable balance of trade was \$160,000,000, an increase of 29 p.c. over the same period of 1934.

Statistics Illustrating the Economic Situation of Canada in the First Eleven Months of
1935 Compared with the Same Period of 1933

		First Eleven Months		Increase +
		1933	1935	Decrease -
<u>General Economic Situation -</u>				
				Per cent
Index of Physical Volume of Business		79.1	102.0	+ 29.0
Wholesale Prices		67.0	72.1	+ 7.6
Index of Common Stock Prices		68.0	92.5	+ 36.0
Shares Traded, Montreal and Toronto	Number	18,755,171	13,222,441	- 29.5
Inverted Bond Yields, Dominion		105.7	136.1	+ 28.8
Mining Stock Prices		93.5	123.0	+ 32.6
Bank Debits -	\$000	27,489,544	28,613,763	+ 4.1
<u>Production and General Business -</u>				
Mineral Production, 1926 = 100		109.8	148.3	+ 35.1
Copper Exports	Pounds	220,371,100	361,907,900	+ 64.2
Nickel Exports	Pounds	81,657,300	132,559,800	+ 62.3
Lead Production (10 months)	Pounds	221,154,655	275,263,107	+ 24.5
Zinc Exports	Pounds	167,746,200	267,878,800	+ 59.7
Gold Shipments	Fine Ounces	2,602,823	2,947,278	+ 13.2
Silver Shipments	Fine Ounces	13,399,252	14,679,251	+ 9.6
Coal Production	Tons	10,598,514	12,515,922	+ 18.1
Manufacturing Production 1926 = 100		79.1	99.5	+ 25.8
Flour Production (10 months)	Barrels	12,052,241	11,646,780	- 3.4
Sugar manufactured	Pounds	824,909,160	891,945,739	+ 8.1
Cattle Slaughtering	Number	1,025,102	1,281,667	+ 25.0
Hog Slaughtering	Number	2,549,678	2,537,001	- 0.5
Cigarettes released	Number	3,960,942,405	4,843,902,903	+ 22.3
Cigars released	Number	106,086,889	115,035,258	+ 8.4
Leather Boots and Shoes (10 months)	Pairs	14,930,187	16,417,040	+ 10.0
Raw Cotton Imports	Pounds	99,894,096	98,433,894	- 1.5
Paper and Paper -				
Newspaper Production	Tons	1,841,700	2,507,994	+ 36.2
Exports of Planks and Boards	Feet	918,444,000	1,225,518,000	+ 33.4
<u>Iron and Steel -</u>				
Steel Ingot Production	Long Tons	358,424	836,794	+ 133.5
Pig Iron Production	Long Tons	190,464	529,147	+ 177.8
<u>Automobile and Allied Industries -</u>				
Automobile Production	Number	62,662	159,159	+ 154.0
Petroleum Imports	Gallons	889,422,792	1,101,148,890	+ 23.8
Crude Rubber Imports	Pounds	39,311,175	54,442,385	+ 38.5
<u>Construction -</u>				
Contracts Awarded	\$	89,082,200	155,940,100	+ 75.1
Building Permits	\$	19,793,204	43,846,688	+ 121.5
Electric Power Production	000 K.W.H.	15,845,115	21,247,884	+ 34.1
<u>Railways -</u>				
Carloadings	Number	1,874,536	2,184,862	+ 16.6
Gross Revenue, C.N.R. (Canadian Lines)	\$	116,016,000	132,290,000	+ 14.0
Gross Revenue, C.P.R.	\$	104,184,000	117,548,000	+ 12.8
<u>External Trade -</u>				
Exports	\$	486,159,020	671,788,325	+ 38.2
Imports	\$	365,846,758	511,745,369	+ 39.9
Excess of Exports over Imports	\$	120,312,262	160,042,954	+ 33.0
<u>Employment - 12 months' average, unadjusted</u>				
General Index, 1926 = 100		83.4	99.4	+ 19.2
Manufacturing		80.9	97.1	+ 20.0
Logging		66.5	126.9	+ 90.8
Mining		97.5	123.3	+ 26.5
Construction		74.6	97.8	+ 31.1
Building		36.0	55.4	+ 53.9
Highway		131.8	175.5	+ 33.8
Trade		112.1	122.0	+ 8.8
<u>Banking - Ten Months' Average</u>				
Bank Deposits	\$	1,868,823,319	1,995,246,905	+ 6.8
Readily Available Assets	\$	1,034,090,769	1,272,203,496	+ 23.0
Current Loans	\$	909,519,303	826,829,987	- 9.1
Call Loans - Canada	\$	101,711,400	80,986,002	- 20.4
Elsewhere	\$	90,969,357	73,420,886	- 19.3
Security Holdings	\$	837,144,966	1,024,053,860	+ 22.3

Statistics Illustrating the Economic Situation of Canada in the First Eleven Months of
1935 Compared with the Same Period of 1934

		First Eleven Months		Increase +
		1934	1935	Decrease -
<u>General Economic Situation</u>				
Index of Physical Volume of Business		94.4	102.0	+ 8.1
Wholesale Prices		71.6	72.1	+ 0.7
Index of Common Stock Prices		85.7	92.5	+ 7.9
Shares Traded, Montreal and Toronto Number		11,989,800	13,222,441	+ 10.3
Inverted Bond Yields, Dominion		121.4	136.1	+ 12.1
Mining Stock Prices		130.3	123.0	- 5.6
Bank Debits	\$000	29,826,506	28,613,763	- 4.1
<u>Production and General Business -</u>				
Mineral Production, 1926 = 100		135.2	148.3	+ 9.7
Copper Exports	Tounds	285,959,800	361,907,900	+ 26.6
Nickel Exports	Tounds	111,034,800	132,559,800	+ 19.4
Lead Production (10 Months)	Tounds	282,437,478	275,263,107	- 2.5
Zinc Exports	Tounds	252,100,500	267,878,800	+ 6.3
Gold Shipments	Fine Ounces	2,797,692	2,947,278	+ 5.3
Silver Shipments	Fine Ounces	12,241,992	14,679,251	+ 19.9
Coal Production	Tons	12,521,491	12,515,922	- 0.1
Manufacturing Production 1926 = 100		93.6	99.5	+ 6.4
Flour Production (10 Months)	Barrels	11,993,026	11,646,780	- 2.9
Sugar manufactured	Tounds	818,790,114	891,945,739	+ 8.9
Cattle Slaughtering	Number	1,258,573	1,281,667	+ 1.8
Hog Slaughtering	Number	2,577,605	2,537,001	+ 1.6
Cigarettes released	Number	4,449,393,545	4,843,902,903	+ 8.9
Cigars released	Number	109,663,895	115,035,258	+ 4.8
Leather Boots and Shoes (10 Months) Pairs		14,464,129	16,417,040	+ 13.5
Raw Cotton Imports	Tounds	124,675,958	98,433,894	- 21.0
Paper and Lumber -				
Newsprint Production	Tons	2,359,748	2,507,994	+ 6.3
Exports of Planks and Boards	Feet	1,269,365,000	1,225,518,000	- 3.5
Iron and Steel -				
Steel Ingot Production	Long Tons	700,187	836,474	+ 19.5
Pig Iron Production	Long Tons	364,631	529,147	+ 45.1
<u>Automobile and Allied Industries</u>				
Automobile Production	Number	114,158	159,159	+ 39.4
Petroleum Imports	Gallons	1,027,548,120	1,101,148,890	+ 7.2
Crude Rubber Imports	Tounds	57,320,777	54,442,385	- 5.0
<u>Construction -</u>				
Contracts Awarded	\$	119,749,300	155,940,100	+ 30.2
Building Permits	\$	24,935,704	43,846,688	+ 75.8
Electric Power Production	000 K.W.H.	19,106,590	21,247,884	+ 11.2
<u>Railways -</u>				
Carloadings	Number	2,153,019	2,184,862	+ 1.5
Gross Revenue, C.N.R. (Canadian Lines)	\$	129,334,000	132,290,000	+ 2.3
Gross Revenue, C.T.R.	\$	114,989,000	117,548,000	+ 2.2
<u>External Trade -</u>				
Exports	\$	598,507,581	671,788,323	+ 12.2
Imports	\$	474,362,249	511,745,369	+ 7.9
Excess of Exports over Imports	\$	124,145,332	160,042,954	+ 28.9
<u>Employment - 12 months' average, unadjusted</u>				
General Index, 1926 = 100		96.0	99.4	+ 3.7
Manufacturing		90.2	97.1	+ 7.6
Logging		124.7	126.9	+ 1.7
Mining		110.8	123.3	+ 11.3
Construction		109.3	97.8	- 10.5
Building		47.8	55.4	+ 15.9
Highway		221.3	175.5	- 20.7
Trade		117.9	122.0	+ 3.5
<u>Banking - Ten Months' Average</u>				
Bank Deposits	\$	1,868,574,694	1,995,246,905	+ 6.8
Readily Available Assets	\$	1,091,137,538	1,272,203,496	+ 16.6
Current Loans	\$	871,659,879	826,829,987	- 5.1
Call Loans - Canada	\$	101,493,650	80,986,002	- 20.2
Elsewhere	\$	107,441,626	73,420,886	- 31.7
Security Holdings	\$	851,456,822	1,024,053,860	+ 20.3

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