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BUSINESS CONDITIONS IN CANADA

during the first Eight Months of 1935

compared with the

same period of 1933 and 1934



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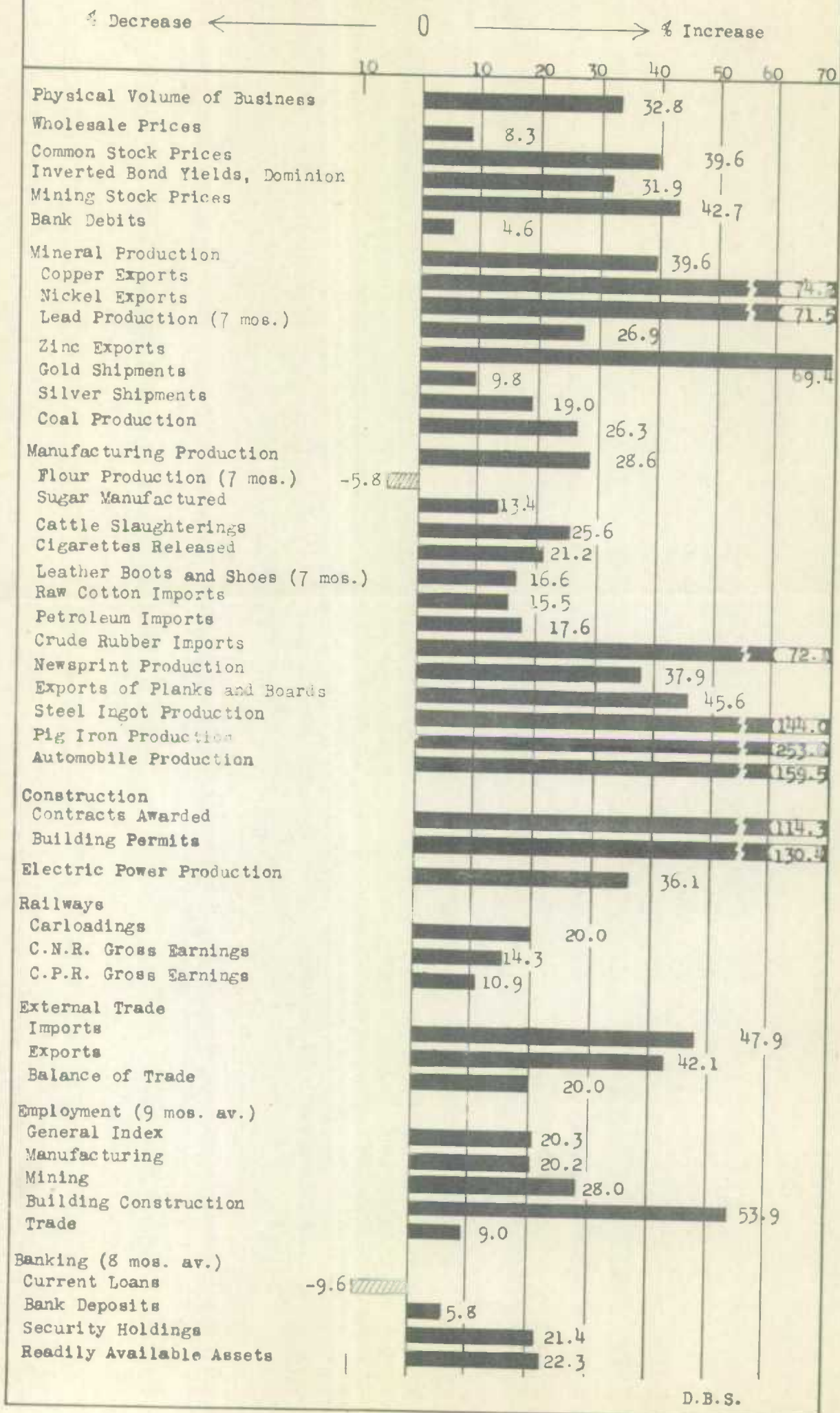
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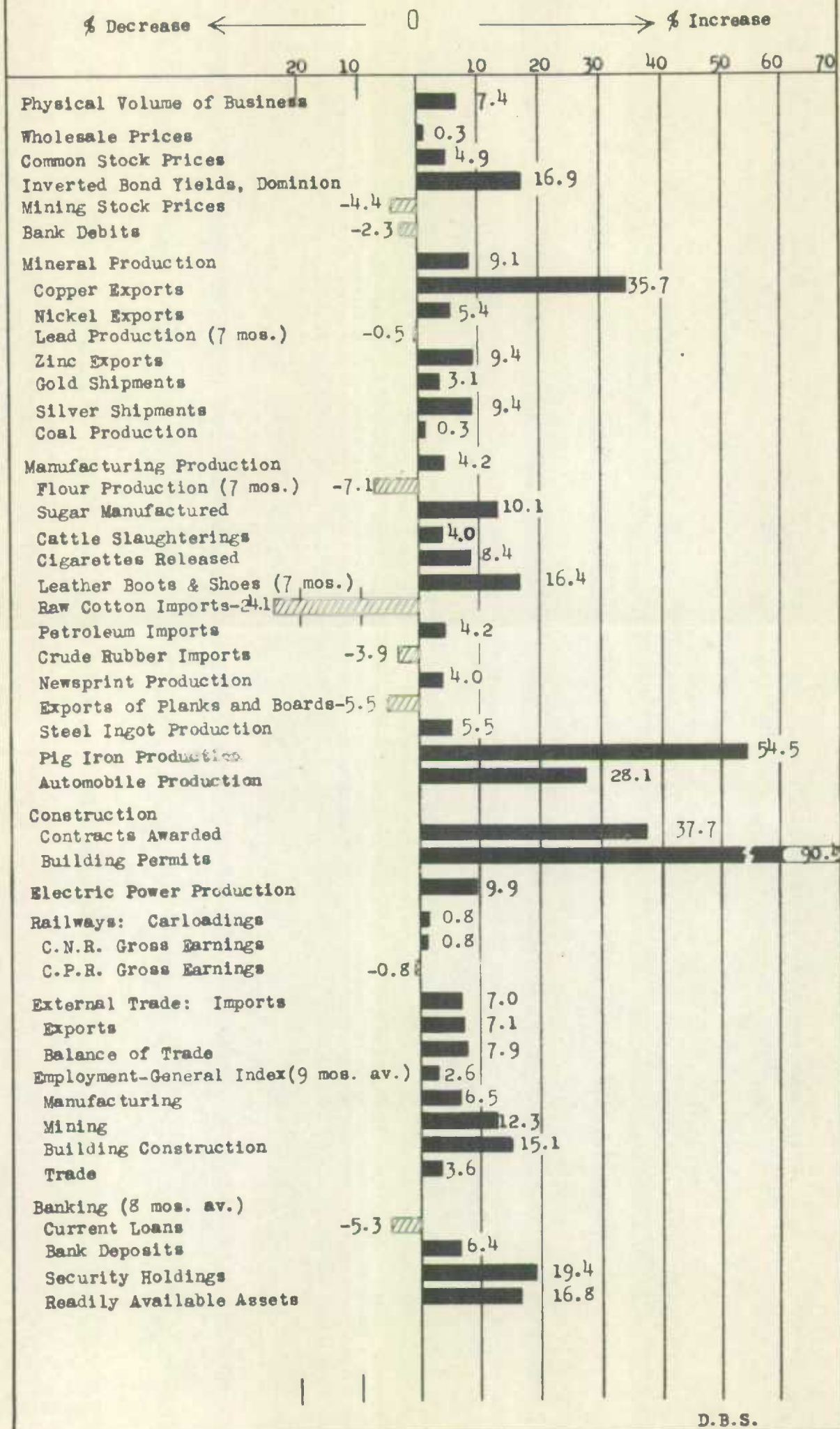
The Economic Situation in Canada

in the first 8 Months of 1935

as compared with the same period of 1933.



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as compared with the same period of 1934.



DOMINION BUREAU OF STATISTICS, OTTAWA

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ECONOMIC CONDITIONS IN CANADA IN THE FIRST EIGHT MONTHS OF 1935,
COMPARED WITH THE SAME PERIODS OF 1933 AND 1934.

Comparison of the First Eight Months of 1935 with the Same Period of 1933.

The marked betterment in Canadian economic conditions during the present year is indicated by the trend of major factors. The averages of important indexes during the first eight months of 1935 compared with the comparable figures for the same period of the preceding year, are an excellent measure of the progress made since the low point of the depression was reached in the early months of 1933.

The index of the physical volume of business averaged 100.5 in the first eight months of 1935, a gain of 32.8 p.c. over 75.7, the standing in the same period of 1933. The business index is based on 45 factors relating to the trend in mineral production, manufacturing, construction, electric power and distribution. The factors are individually adjusted for seasonal tendencies and expressed as a percentage of the monthly average for the base year of 1926. The markedly higher level of this index during the present year indicates the extent of the acceleration in business and productive operations.

The comparatively modest advance of 8.3 p.c. represents the change in commodity prices from the average of the first eight months of 1933. The official index was 71.9 in the elapsed portion of 1935 against 66.4 in the same period of 1933, which included the lowest point of the recent depression. The index of wholesale prices following the rise in 1933 has remained at a remarkably stable level during the last twenty months. The index of common stock prices averaged 90.2 in the first eight months of 1935. This compares with 64.6, the low level during the same period of 1933. The gain in this comparison was consequently 39.6 p.c. Mining stock prices averaged 42.7 p.c. higher, the index being 123.7 compared with 86.7.

Bond prices computed from yields on Dominion government bonds were approximately maintained in the first eight months of 1935 at a level greatly above that of the early part of 1933. The index of inverted bond yields was 138.8 against 105.2. The gain of 32 p.c. was a pronounced change for a factor not normally subject to wide fluctuation.

The index of mineral production based on nine factors was 146.4 in the elapsed portion of 1935 compared with 104.9 in the same period of 1933. The gain of nearly 40 p.c. indicates widespread gain in operations contingent in large measure upon the revival of demand in external markets. The exports of copper in various stages of manufacture were 253,100,000 pounds compared with 145,300,000, the gain being 74 p.c. Nickel was exported to the amount of 89,900,000 pounds, a gain of 71.5 p.c. Zinc exports increased 69 p.c., and the output of lead in seven months was 27 p.c. greater. Gold shipments at 2,095,000 ounces recorded a gain of 9.8 p.c., while silver shipments at 9,891,000 ounces showed an increase of 19 p.c. The gain in coal production was 26 p.c. Thus increases were general in the seven factors considered in this connection.

The index of manufacturing production based on 29 factors averaged 28.6 p.c. higher in the first eight months of this year than in the same period of 1933. Indicating the trend in the meatpacking industry, cattle slaughterings showed a gain of 25.6 p.c., while hog slaughterings were slightly less. Tobacco releases were in much greater volume, the release of cigarettes at 3,399,000,000 expanded markedly during 1935, the gain over the same period of 1933 being 21.2 p.c. The preparation of the textile industry for increased operations by the purchase of raw material were on a larger scale. The imports of raw cotton at 67,992,000 pounds showed a gain of 15.5 p.c. in this comparison.

The output of newsprint at 1,754,700 tons compared with 1,272,000 recorded a gain of 38 p.c. The lumber industry was favoured by an expansion in the export trade amounting to 45.6 p.c. The exports of planks and boards were 853,543,000 feet compared with 586,119,000.

The primary iron and steel industry has shown considerable gain over the low level of the first eight months of 1933. The output of steel ingots was 556,800 tons compared with 228,200, a gain of 144 p.c. Pig iron output was 364,000 tons representing a gain of nearly 254 p.c. Automobile production recorded marked expansion, output having been 132,000 units compared with 50,881. The resumption of activity in the industry resulted from the gain in demand in both domestic and external markets. The imports of crude petroleum, indicating the trend of operations in the oil industry, were up nearly 18 p.c. at 703,000,000 gallons compared with 597,900,000. The construction industry was more active in the first eight months of 1935, an excellent showing being made during August in the booking of new business. The amount of new construction contracts awarded during the elapsed period of 1935 was \$118,000,000 compared with \$55,044,000 in the same months of 1933, a gain of 114 p.c. Building permits at \$33,188,000 compared with \$14,407,000, showed an increase of 130 p.c.

The production of electric power was at a greatly higher level in the first part of 1935, the demand for firm power showing an important increase over the same period of 1933. Total output reached a new high point at 15,023,000,000 kilowatt hours as against 11,036,000,000, a gain of 36 p.c.

Carloadings showed appreciable increase over the level of the first eight months of 1933. The total at 1,499,000 cars compared with 1,249,000, was up 20 p.c. The gross operating revenue of the Canadian National on Canadian lines gained 14.3 p.c. at \$90,841,000 compared with \$79,454,000. The gross revenue from railway operations of the Canadian Pacific at \$78,416,000, as against \$70,700,000, showed a gain of 10.9 p.c.

External trade made an excellent record in this comparison. Exports at \$434,600,000 showed a gain of 42 p.c., while imports at \$358,300,000 recorded an increase of 48 p.c. The favourable balance of trade was \$76,223,000 compared with \$63,503,000, the gain being 20 p.c.

Bank debits were \$20,259,000,000 in the first eight months of 1935 compared with \$19,372,000,000 in the same months of 1933. The gain was therefore \$887,000,000 or 4.6 p.c. Each of the five economic areas except the Prairie Provinces showed increases in this comparison.

The general index of employment averaged 20.3 p.c. greater in the first nine months of 1935 than in the same period of 1933. The average on the 1926 base was 97.2 compared with 80.8. The index of manufacturing, practically unaffected by unemployment relief, showed a gain of 20.2 p.c., the average being 95.2 compared with 79.2. The index of mining employment was 120.7 compared with 94.3, a gain of 28 p.c. The gain in the index of retail and wholesale trade was 9 p.c.

Comparison of the First Eight Months of 1935 with the Same Period of 1934.

The constructive tendencies in evidence during the second and third quarters of 1933 have continued in operation, but the pace of recovery during the last twenty months was not so rapid. The index of the physical volume of business averaged 100.5 in the first eight months of 1935 against 93.6 in the same period of last year, a gain of 7.4 p.c. The mining, construction and power industries showed expansion greater than the average, while manufacturing and external trade also recorded substantial gains.

The financial background brightened considerably over the position of **one year ago**. Wholesale prices were decidedly stable, the index showing a gain of only 0.3 p.c. over the first eight months of 1934. On the base of 1926, the index of wholesale prices averaged 71.9 in the first eight months of 1935 against 71.7 in the same months of 1934. Common stock prices, reflecting improved prospects for corporate revenues, averaged 4.9 p.c. higher than in the first eight months of 1934. As Dominion Government bonds advanced persistently during 1934, the level in the first eight months of the present year measured by inverted bond yields, was 16.9 p.c. higher than in the same period of last year.

The nine weighted factors indicating the trend of mineral production averaged 9.1 p.c. greater in the first eight months of 1935 than in the same period of 1934. Copper exports showed an expansion of 36 p.c. The export of nickel and zinc recorded moderate gains. Gold shipments were 3.1 p.c. greater, and silver shipments showed a gain of 9.4 p.c. Coal production gained 0.3 p.c., the total in the first eight months of 1935 having been 8,251,000 tons. The index of manufacturing production based on 29 factors showed a gain of 4.2 p.c. The tobacco and sugar industries showed considerable expansion. An important gain was also shown in the output of boots and shoes. Raw cotton imports, however, declined 24.1 p.c.

The gain in motor car production was 28.1 p.c. and the output of pig iron showed an expansion of 54.5 p.c. The resumption of activity in the construction industry was reflected in a gain of 37.7 p.c. in contracts awarded. The output of electric power showed an increase of nearly 10 p.c.

Statistical Tables and Charts.

Detailed comparisons of the more important factors in the economic situation in the first eight months of 1935 with the corresponding figures for the same period of 1933 and 1934, respectively, are presented in the two following tables, together with percentages of increase or decrease. These percentages of increase or decrease are also graphically set out in the accompanying charts.

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

		First Eight Months		Increase + Decrease -
		1933	1935	
General Economic Situation -				per cent
Index of Physical Volume of Business		75.7	100.5	+ 32.8
Wholesale Prices		66.4	71.9	+ 8.3
Index of Common Stock Prices		64.6	90.2	+ 39.6
Shares Traded, Montreal and Toronto	Number	15,491,273	8,281,941	- 46.5
Inverted Bond Yields, Dominion, 1926=100		105.2	138.8	+ 31.9
Mining Stock Prices		86.7	123.7	+ 42.7
Bank Debits -	\$000	19,371,609	20,258,840	+ 4.6
Production and General Business -				
Mineral Production, 1926=100		104.9	146.4	+ 39.6
Copper Exports	Pounds	145,292,200	253,105,800	+ 74.2
Nickel Exports	Pounds	52,396,200	89,869,800	+ 71.5
Lead Production (7 months)	Pounds	149,482,428	189,669,207	+ 26.9
Zinc Exports	Pounds	114,405,900	193,748,900	+ 69.4
Gold Shipments	Fine Ounces	1,907,344	2,095,209	+ 9.8
Silver Shipments	Fine Ounces	8,314,104	9,890,611	+ 19.0
Coal Production	Tons	6,531,307	8,251,332	+ 26.3
Manufacturing Production 1926=100		74.9	96.3	+ 28.6
Flour Production (7 months)	Barrels	7,565,309	7,126,448	- 5.8
Sugar manufactured	Pounds	485,758,000	550,624,612	+ 13.4
Cattle Slaughtering	Number	715,896	898,931	+ 25.6
Hog Slaughtering	Number	1,841,607	1,841,255	- 0.1
Cigarettes released	Number	2,805,604,950	3,399,136,675	+ 21.2
Cigars released	Number	66,442,535	76,761,298	+ 15.5
Leather Boots and Shoes (7 months)	Pairs	9,892,859	11,538,930	+ 16.6
Raw Cotton Imports	Pounds	61,139,705	67,992,411	+ 15.5
Paper and Lumber				
Newsprint Production	Tons	1,272,164	1,754,733	+ 37.9
Exports of Planks and Boards	Feet	586,119,000	853,543,000	+ 45.6
Iron and Steel -				
Steel Ingot Production	Long tons	228,199	556,752	+ 144.0
Pig Iron Production	Long tons	103,132	364,704	+ 253.6
Automobile and Allied Industries -				
Automobile Production	Number	50,881	132,027	+ 159.5
Petroleum Imports	Gallons	597,850,198	703,003,151	+ 17.6
Crude Rubber Imports	Pounds	22,771,006	39,197,257	+ 72.1
Construction -				
Contracts Awarded	\$	55,043,800	117,981,100	+ 114.3
Building Permits	\$	14,407,111	33,188,353	+ 130.4
Electric Power Production	000 K.W.H.	11,035,822	15,022,747	+ 36.1
Railways -				
Carloadings	Number	1,249,108	1,499,108	+ 20.0
Gross Revenue, C.N.R. (Canadian Lines)	\$	79,454,000	90,841,000	+ 14.3
Gross Revenue, C.P.R.	\$	70,698,000	78,416,000	+ 10.9
External Trade -				
Imports	\$	242,366,524	358,346,853	+ 47.9
Exports	\$	305,869,128	434,570,179	+ 42.1
Favourable Balance of Trade	\$	63,502,604	76,223,326	+ 20.0
Employment - 9 Months' average, unadjusted				
General Index 1926=100		80.8	97.2	+ 20.3
Manufacturing		79.2	95.2	+ 20.2
Logging		50.8	118.2	+ 132.7
Mining		94.3	120.7	+ 28.0
Construction		67.7	93.4	+ 38.0
Building		33.2	51.1	+ 53.9
Highway		112.9	166.1	+ 47.1
Trade		110.6	120.6	+ 9.0
Banking - Eight Months' Average				
Bank Deposits	\$	1,869,203,480	1,978,451,945	+ 5.8
Readily Available Assets	\$	1,022,722,760	1,250,476,077	+ 22.3
Current Loans	\$	909,769,905	821,677,807	- 9.6
Call Loans - Canada	\$	99,536,647	82,559,745	- 17.1
Elsewhere	\$	86,087,523	77,759,089	- 9.7
Security Holdings	\$	826,099,485	1,002,682,498	+ 21.4

Statistics Illustrating the Economic Situation of Canada in the First Eight Months of
1935 Compared with the same Period of 1934.

1935 Compared with the same period of 1934				
		First Eight Months		Increase + Decrease -
		1934	1935	
General Economic Situation				
Index of Physical Volume of Business		93.6	100.5	+ 7.4
Wholesale Prices		71.7	71.9	+ 0.3
Index of Common Stock Prices		86.0	90.2	+ 4.9
Shares Traded, Montreal and Toronto	Number	9,778,082	8,281,941	- 15.3
Inverted Bond Yields, Dominion, 1926=100		118.7	138.8	+ 16.9
Mining Stock Prices		129.4	123.7	- 4.4
Bank Debits	\$ 000	20,743,568	20,258,840	- 2.3
Production and General Business-				
Mineral Production, 1926=100		134.2	146.4	+ 9.1
Copper Exports	Pounds	186,556,200	253,105,800	+ 35.7
Nickel Exports	Pounds	85,279,900	89,869,800	+ 5.4
Lead Production (7 months)	Pounds	190,592,630	189,669,207	- 0.5
Zinc Exports	Pounds	177,074,800	193,748,900	+ 9.4
Gold Shipments	Fine Ounces	2,031,873	2,095,209	+ 3.1
Silver Shipments	Fine Ounces	9,044,311	9,890,611	+ 9.4
Coal Production	Tons	8,223,648	8,251,332	+ 0.3
Manufacturing Production 1926=100		92.4	96.3	+ 4.2
Flour Production (7 months)	Barrels	7,673,418	7,126,448	- 7.1
Sugar manufactured	Pounds	500,128,185	550,624,612	+ 10.1
Cattle Slaughtering	Number	864,261	898,931	+ 4.0
Hog slaughtering	Number	1,879,514	1,841,255	- 2.0
Cigarettes released	Number	3,135,649,420	3,399,136,675	+ 8.4
Cigars released	Number	69,933,763	76,761,298	+ 9.8
Leather Boots and Shoes (7 months)	Pairs	9,910,798	11,538,930	+ 16.4
Raw Cotton Imports	Pounds	89,548,422	67,992,411	- 24.1
Paper and Lumber -				
Newsprint Production	Tons	1,687,686	1,754,733	+ 4.0
Exports of Planks and Boards	Feet	902,795,000	853,543,000	- 5.5
Iron and Steel -				
Steel Ingots Production	Long Tons	527,673	556,752	+ 5.5
Pig Iron Production	Long Tons	236,071	364,704	+ 54.5
Automobile and Allied Industries				
Automobile Production	Number	103,102	132,027	+ 28.1
Petroleum Imports	Gallons	674,655,113	703,003,151	+ 4.2
Crude Rubber Imports	Pounds	40,786,358	39,197,257	- 3.9
Construction -				
Contracts Awarded	\$	85,651,100	117,981,100	+ 37.7
Building Permits	\$	17,433,272	33,188,353	+ 90.4
Electric Power Production	000 K.W.H.	13,672,563	15,022,747	+ 9.9
Railways -				
Carloadings	Number	1,486,881	1,499,108	+ 0.8
Gross Revenue, C.N.R. (Canadian Lines)	\$	90,081,000	90,841,000	+ 0.8
Gross Revenue, C.P.R.	\$	79,057,000	78,416,000	- 0.8
External Trade -				
Imports	\$	335,041,690	358,346,853	+ 7.0
Exports	\$	405,703,079	434,570,179	+ 7.1
Favourable Balance of Trade	\$	70,661,389	76,223,326	+ 7.9
Employment - 9 months' average, unadjusted				
General Index, 1926=100		94.7	97.2	+ 2.6
Manufacturing		89.4	95.2	+ 6.5
Logging		112.5	118.2	+ 5.1
Mining		107.5	120.7	+ 12.3
Construction		109.2	93.4	- 14.5
Building		44.4	51.1	+ 15.1
Highway		224.5	166.1	- 26.0
Trade		116.4	120.6	+ 3.6
Banking - Eight months' average				
Bank Deposits	\$	1,859,119,127	1,978,451,945	+ 6.4
Readily Available Assets	\$	1,070,952,326	1,250,476,077	+ 16.8
Current Loans	\$	867,384,840	821,677,807	- 5.3
Call Loans - Canada	\$	100,635,904	82,559,745	- 18.0
Elsewhere	\$	107,234,922	77,759,089	- 27.5
Security Holdings	\$	839,511,589	1,002,682,498	+ 19.4

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