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BUSINESS CONDITIONS IN CANADA

for January 1938

compared with the

same month of 1937



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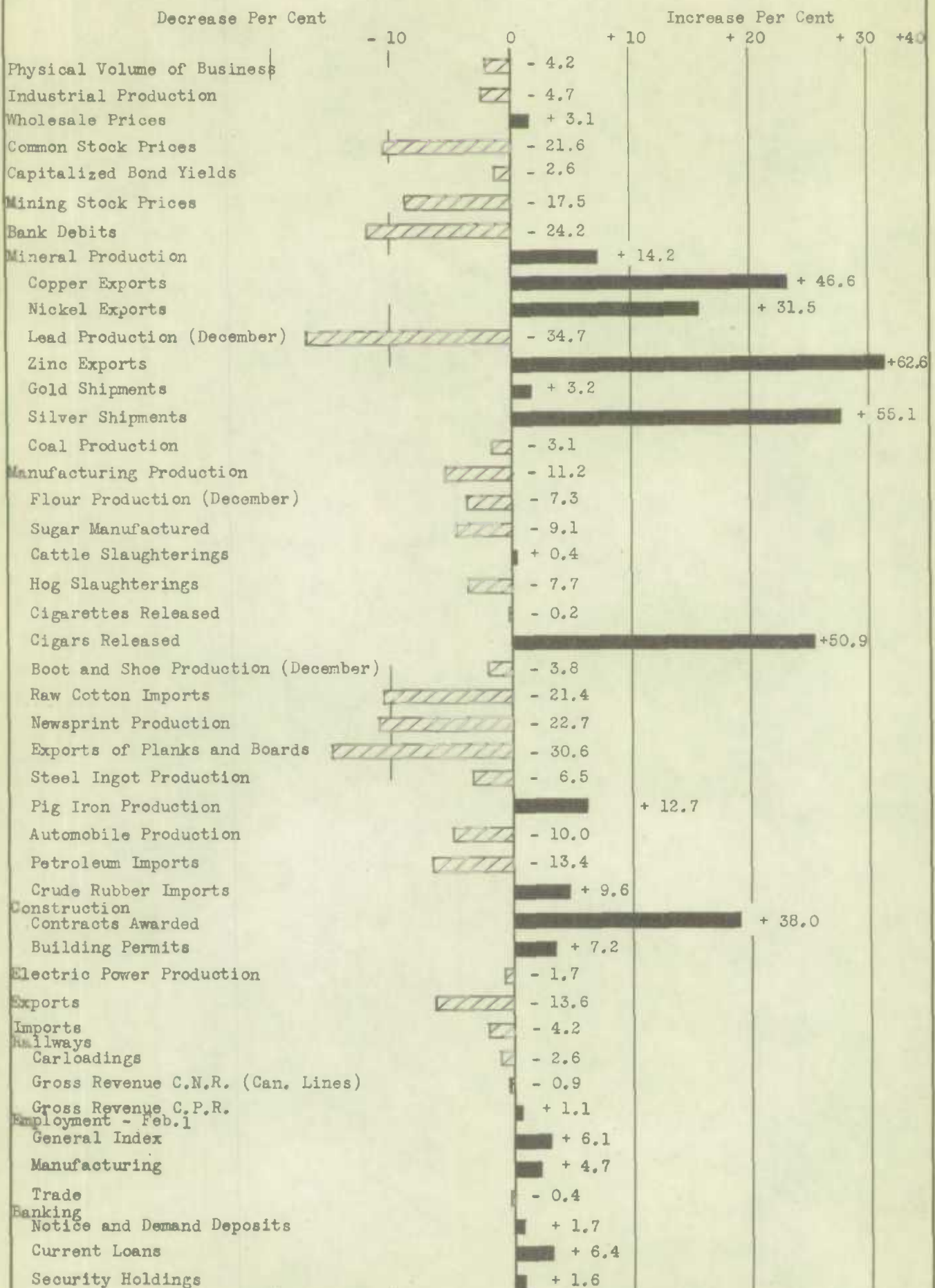
OTTAWA

1938

The Economic Situation in Canada

in January, 1938

as compared with the same month of 1937.



Dominion Statistician:
Statistician:

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BUSINESS CONDITIONS IN CANADA DURING JANUARY
1938 COMPARED WITH THE SAME MONTH OF LAST YEAR

The factors showing the trend of economic conditions averaged lower in January than in the same month of last year. In the early part of 1937, economic conditions were relatively favourable, a declining trend being shown in later months. Only wholesale prices and bank deposits of the six factors considered in this connection 1/ showed a lead over January one year ago. As wholesale prices rose appreciably during the first quarter of 1937, the gap between the indexes of the two years has recently become very narrow. The index was slightly more than three per cent higher in January than in the same month one year ago.

The maximum in common stock prices for recent years was reached in March, 1937. Despite a rebound in January, a downward trend was recorded from the second quarter of 1937 to the present time. The index at 107.7 in January against 137.4 showed a decline of 21.6 p.c. from the same month of 1937. High-grade bonds have recently been particularly strong and prices are now ruling higher than at the same time of last year. A marked decline was shown during the first quarter of 1937 but a recovery of considerable proportions has occurred since that time. Present levels are much higher than in any post-war year prior to 1936. Bank deposits rose to a new high position in 1937 and were nearly 2 p.c. greater at the end of January than on the same date of last year.

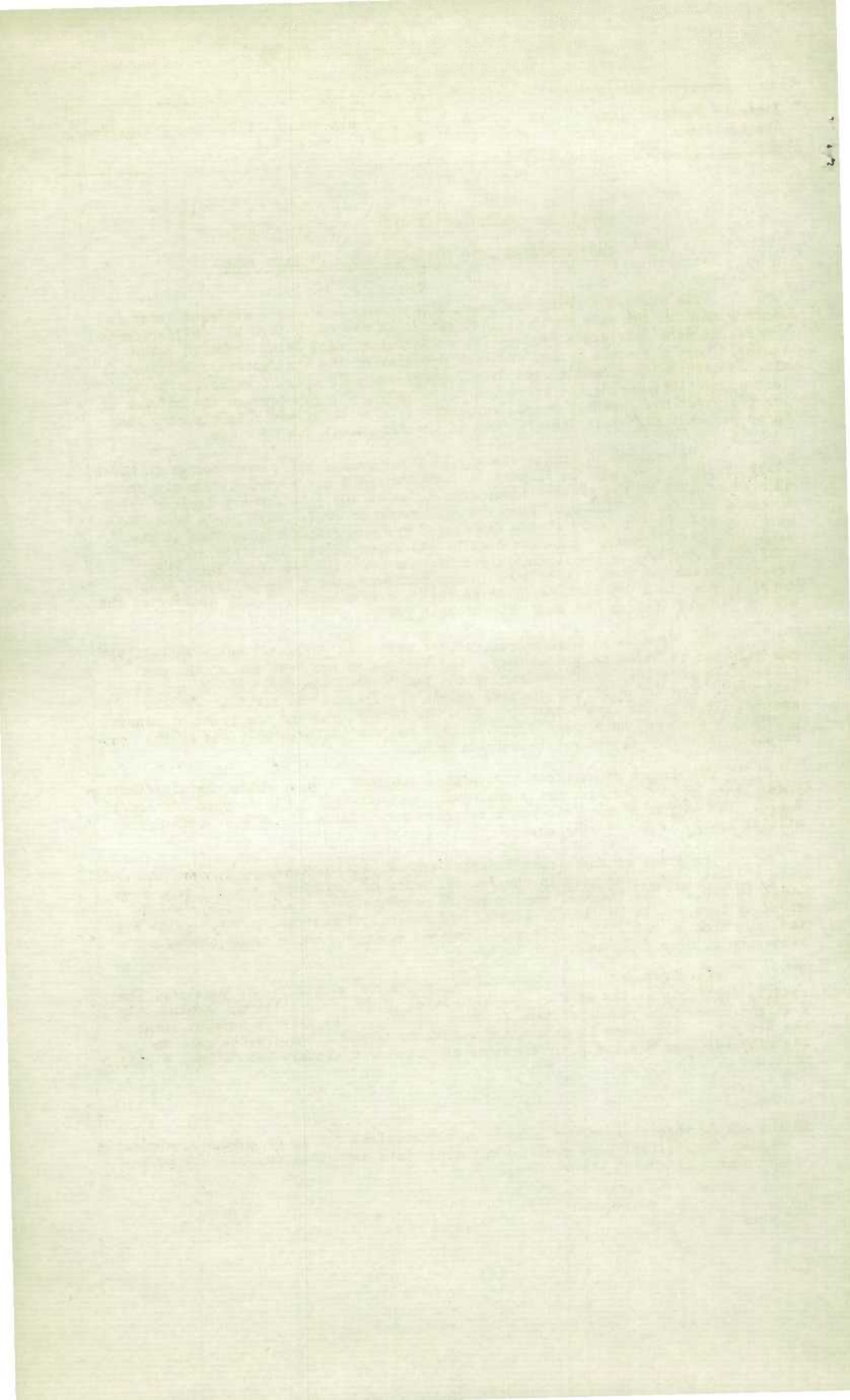
The advance in business operations which had persisted to November, 1937, was reversed in December and January. The decline in the last two months was precipitate more than counterbalancing the gain during the first eleven months of last year. The index of the physical volume of business was 112.0 in January against 116.9 in the same month of 1937. The factors showing the trend of mineral production averaged more than 14 p.c. higher and new business obtained by the construction industry showed a considerable gain.

The output of manufacturing plants declined 11 p.c. while the distribution index based on carloadings, trade employment and external trade dropped off nearly 3 p.c. The output of electric power recorded a recession of 1.7 p.c. from 2,318 million k.w.h. to 2,279 million.

The state of employment recorded improvement on February 1, over the same date of last year. The gain in the general index of employment was 6.1 p.c. from 104.1 to 110.4. The index of employment in manufacturing unaffected by relief, moved up five points to 110.3. Logging and construction showed notable gains over the same time of 1937. The gain in mining was 4.5 p.c., while trade showed a recession of nearly one-half per cent.

The chartered banks continued to maintain a strong liquid position. The readily available assets were at the high level of \$1,575.7 million, showing only a slight percentage recession from January 31, 1937. The gain in current loans was 6.4 p.c. Call loans in Canada and elsewhere showed a decline. The gain in security holdings was 1.6 p.c. the total at the end of January having been \$1,453.8 million.

1/ The six factors include the indexes of the physical volume of business, wholesale prices, capitalized bond yields (Dominion), bank deposits, common stock prices and number of shares traded.



- 3 -

Statistics Illustrating the Economic Situation of Canada in January,
1938, Compared with the same month of 1937.

Item	Unit or base period	1937	January 1938	Increase + Decrease - Per cent
General Economic Situation				
Index of Physical Volume of Business	1926=100	116.9	112.0	- 4.2
Index of Industrial Production	1926=100	119.4	113.8	- 4.7
Wholesale Prices	1926=100	81.3	83.8	+ 3.1
Index of Common Stock Prices	1926=100	137.4	107.7	- 21.6
Capitalized Bond Yields, Dominion	1926=100	154.8	150.8	- 2.6
Mining Stock Prices	1926=100	174.6	144.1	- 17.5
Bank Debits	\$000	3,227,355	2,444,600	- 24.2
Production and General Business				
Mineral Production	1926=100	156.8	179.1	+ 14.2
Copper Exports	Lbs.	27,178,700	39,856,300	+ 46.6
Nickel Exports	Lbs.	14,994,400	19,715,400	+ 31.5
Lead Production (December)	Lbs.	40,389,544	26,373,673	- 34.7
Zinc Exports	Lbs.	19,280,300	31,348,700	+ 62.6
Gold Shipments	Fine Ozs.	348,476	359,549	+ 3.2
Silver Shipments	Fine Ozs.	1,103,753	1,712,067	+ 55.1
Coal Production	Tons	1,496,000	1,449,000	- 3.1
Manufacturing Production	1926=100	122.8	109.0	- 11.2
Flour Production (December)	Bbls.	1,090,392	1,010,971	- 7.3
Sugar manufactured	Lbs.	21,952,270	19,962,780	- 9.1
Cattle Slaughtering	No.	100,049	100,467	+ 0.4
Hog Slaughtering	No.	351,365	324,355	- 7.7
Cigarettes released	No.	447,167,450	446,259,465	- 0.2
Cigars released	No.	5,634,477	8,505,220	+ 50.9
Leather Boots and Shoes (December)	Prs.	1,162,912	1,118,355	- 3.8
Raw Cotton Imports	Lbs.	15,189,187	11,933,428	- 21.4
Paper and Lumber -				
Newsprint Production	Tons	287,691	222,500	- 22.7
Exports of Planks and Boards	Ft.	156,913,000	108,914,000	- 30.6
Iron and Steel -				
Steel Ingot Production	Long Tons	115,237	107,753	- 6.5
Pig Iron Production	Long Tons	66,400	74,862	+ 12.7
Automobile and Allied Industries -				
Automobile Production	No.	19,581	17,624	- 10.0
Petroleum Imports	Gals.	54,639,651	47,307,167	- 13.4
Crude Rubber Imports	Lbs.	3,656,423	4,007,973	+ 9.6
Construction -				
Contracts Awarded	\$	6,622,200	9,140,000	+ 38.0
Building Permits	\$	1,721,867	1,846,101	+ 7.2
Electric Power Production	000 K.W.H.	2,317,906	2,279,298	- 1.7
External Trade -				
Exports	\$	83,416,124	72,234,168	- 13.6
Imports	\$	51,882,618	49,719,835	- 4.2
Excess of exports over imports	\$	31,533,506	22,514,333	- 28.6
Railways -				
Carloadings	No.	192,464	187,355	- 2.6
Gross Revenue C.N.R. (Can. Lines)	\$	11,426,000	11,323,000	- 0.9
Gross Revenue C.P.R.	\$	10,202,000	10,315,000	+ 1.1
Employment February 1 -				
General Index	1926=100	104.1	110.4	+ 6.1
Manufacturing		105.3	110.3	+ 4.7
Logging		244.4	290.7	+ 18.9
Mining		147.6	154.3	+ 4.5
Construction		57.2	71.6	+ 25.2
Building		33.8	49.1	+ 45.3
Highway		83.4	106.7	+ 27.9
Trade		128.4	127.9	- 0.4
Banking - January 31 -				
Notice and Demand Deposits	\$	2,192,872,485	2,230,580,603	+ 1.7
Readily Available Assets	\$	1,597,905,485	1,575,740,938	- 1.4
Current Loans	\$	687,349,679	731,456,128	+ 6.4
Call Loans - Canada	\$	119,409,697	72,007,500	- 39.7
Elsewhere	\$	72,433,375	50,619,626	- 31.1
Security Holdings	\$	1,411,554,042	1,433,779,714	+ 1.6

