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DEPARTMENT OF TRADE AND COMMERCE

DOMINION BUREAU OF STATISTICS

GENERAL STATISTICS BRANCH

BUSINESS CONDITIONS IN CANADA

during the first seven months of 1939

compared with the

same period of 1938

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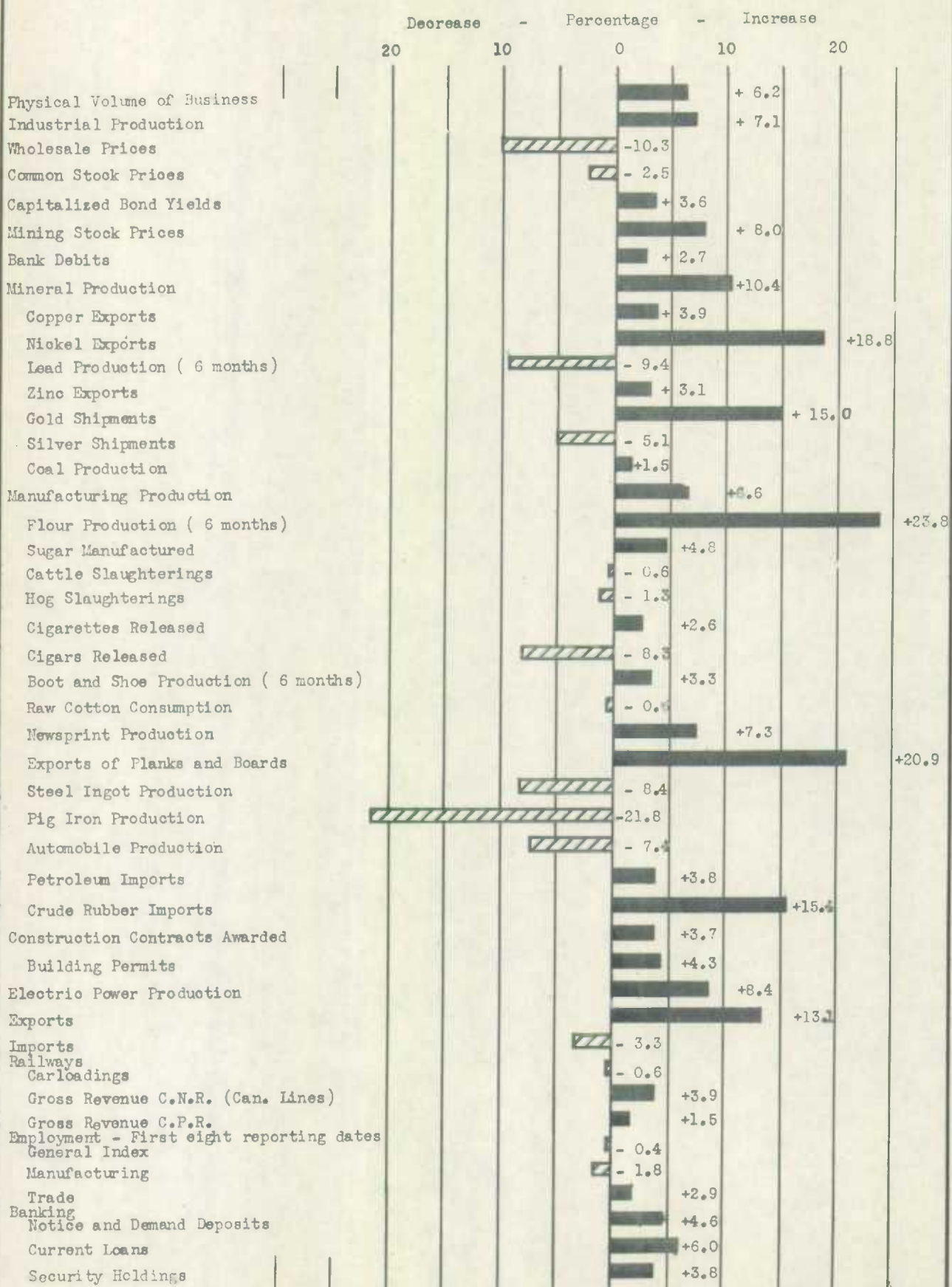
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OTTAWA

1939

Price \$1 a year

The Economic Situation in Canada
in the first seven months of
1939
as compared with the same period of 1938.



DOMINION BUREAU OF STATISTICS - OTTAWA

Dominion Statistician:
Business Statistician:

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

ECONOMIC CONDITIONS IN CANADA DURING THE FIRST SEVEN MONTHS
OF 1939 COMPARED WITH THE SAME PERIOD OF THE PRECEDING YEAR.

Economic conditions as measured by six important factors were relatively steady during the first seven months of the present year, averaging somewhat higher than in the same period of 1938. Advances were recorded in business operations and in significant financial factors including high grade bond prices and the deposit liabilities of the chartered banks.

A reactionary factor was the decline in wholesale prices, the index averaging 73.3 against 81.7 in the same period last year. The decline during the first eight months of 1938 was appreciable but some measure of stabilization has been in evidence since September of that year. Minor decline was shown during July and August of this year counterbalanced by the current upward movement. Common stock prices showed no important upward or downward trend from the beginning of 1938 to the end of July, although short term fluctuations were severe. The index averaged 100.0 in the first seven months of the present year against 102.6 for the same period of 1938. Common stocks recovered in the later part of July but during August registered a rather marked reaction occasioned by European tension and uncertainty. Certain favoured "war" stocks have lately led a striking advance.

The deposit liabilities of the banks were at a new high level during the first seven months of 1939. The gain in the average of the notice and demand deposits for the first seven months was 4.6 p.c. over the same period one year ago. The average on the first seven reporting dates of 1939 was \$2,386 million compared with \$2,281 million. The security holdings averaged nearly 4 p.c. greater, while important increases were shown in readily available assets and current loans.

A minor decline was shown in business operations in the first quarter of the year, followed by considerable advance in April and May. The position has been practically maintained in the last two months for which statistics are available. The average of the index of the physical volume of business was 110.0 in the first seven months of 1938, rising to 116.8 in the same period of the present year.

The advance of recent years in mineral production was continued in the period under review. The general index based on nine factors rose 10.4 p.c. to 212.0. Constructive developments were the advances in the exports of copper, nickel and zinc, in the shipments of gold and in coal production. Gold shipments to the Mint and to external points amounted to 2,956,940 ounces compared with 2,572,200 in the same portion of 1938, a gain of 15 p.c. Nickel exports amounted to 133 million pounds, showing a gain of 18.8 p.c. while copper exports were about 4 p.c. greater.

Some recession was shown in the meat-packing industry while the flour milling and sugar industries were more active. The output of flour in the first half of this year showed a gain of 24 p.c. while an increase of nearly 5 p.c. was recorded in the amount of sugar manufactured to July 15.

The release of cigarettes showed gains over the preceding year and the boot and shoe industry was slightly more active. The exports of planks and boards amounted to 1,115 million feet, a gain of nearly 21 p.c. while the increase in the output of newsprint was more than 7 p.c. The primary iron and steel industry was less active than in the same period of 1938. Declines were shown both in the output of pig iron and in steel production. The recession in automobile production was 7.4 p.c., while increases in the imports of crude petroleum and rubber amounted to 3.8 p.c. and 15.4 p.c., respectively.

The construction industry obtained more new business this year. The increase in contracts awarded was of 3.7 p.c. and that of building permits 4.3 p.c. Electric power production recorded an increase reaching a new high point in history. The total was 15.9 billion k.w.h., a gain of 8.4 p.c. Merchandise exports amounted to nearly \$559 million against \$494 million, a gain of 13.1 p.c. Imports showed a minor decline, increasing the favourable balance of commodity trade to \$78 million.

The number of cars loaded recorded a minor decline of 0.6 p.c. Gains were shown in the gross revenues of both Railways. The general employment index was 109.8, a decline of 0.4 p.c. from the average during the same period of 1938. The recession in manufacturing employment was 1.8 p.c., while an increase of nearly 5 p.c. was shown in mining. Construction and trade were at a higher level.

Statistics Illustrating the Economic Situation of Canada in the First
Seven Months of 1939, Compared with the Same Period of 1938.

Item	Unit or base period	Seven Months 1939	Months 1938	Increase + Decrease -	Per Cent
<u>General Economic Situation</u>					
Index of Physical Volume of Business	1926=100	116.8	110.0	+	6.2
Index of Industrial Production	1926=100	119.2	111.3	+	7.1
Wholesale Prices	1926=100	73.3	81.7	-	10.3
Index of Common Stock Prices	1926=100	100.0	102.6	-	2.5
Capitalized Bond Yields, Dominion	1926=100	162.6	156.9	+	3.6
Mining Stock Prices	1926=100	153.8	142.4	+	8.0
Bank Debits	\$000	17,509,832	17,051,439	+	2.7
<u>Production and General Business</u>					
Mineral Production	1926=100	212.0	192.1	+	10.4
Copper Exports	Lbs.	325,917,900	313,711,900	+	3.9
Nickel Exports	Lbs.	133,201,600	112,150,300	+	18.8
Lead Production (6 mos.)	Lbs.	186,000,475	205,235,643	-	9.4
Zinc Exports	Lbs.	197,047,000	191,060,400	+	3.1
Gold Shipments	Fine Ozs.	2,956,940	2,572,200	+	15.0
Silver Shipments	Fine Ozs.	10,914,131	11,506,010	-	5.1
Coal Production	Tons	7,794,971	7,683,076	+	1.5
Manufacturing Production	1926=100	110.2	103.4	+	6.6
Flour Production (6 mos.)	Bbls.	6,822,351	5,511,129	+	23.8
Sugar manufactured	Lbs.	387,788,743	370,140,908	+	4.8
Cattle Slaughtering	No.	894,651	899,985	-	0.6
Hog Slaughtering	No.	1,784,857	1,808,342	-	1.3
Cigarettes released	No.	3,970,326,042	3,870,562,350	+	2.6
Cigars released	No.	67,266,507	73,322,526	-	8.3
Leather Boots and Shoes (6 mos.)	Prs.	10,488,647	10,149,900	+	3.3
Raw Cotton Consumption	Lbs.	62,517,580	62,904,047	-	0.6
Paper and Lumber -					
Newsprint Production	Tons	1,568,694	1,462,417	+	7.3
Exports of Planks and Boards	000 Ft.	1,114,950	922,002	+	20.9
Iron and Steel -					
Steel Ingot Production	Long Tons	691,290	754,668	-	8.4
Pig Iron Production	Long Tons	356,108	455,396	-	21.8
<u>Automobile and Allied Industries -</u>					
Automobile Production	No.	102,890	111,165	-	7.4
Petroleum Imports	Gals.	636,148,000	613,131,181	+	3.8
Crude Rubber Imports	Lbs.	36,196,076	31,361,166	+	15.4
<u>Construction -</u>					
Contracts	\$	105,575,600	101,813,400	+	3.7
Building Permits	\$	33,396,875	32,011,312	+	4.3
Electric Power Production	000K.W.H.	15,947,968	14,706,151	+	8.4
<u>External Trade -</u>					
Exports	\$	558,990,919	494,399,446	+	13.1
Imports	\$	379,653,360	392,514,764	-	3.3
Excess of exports over imports	\$	179,879,274	101,884,682	+	76.6
<u>Railways -</u>					
Carloadings	No.	1,306,859	1,314,806	-	0.6
Gross Revenue C.N.R. (Can. Lines)	\$	86,395,000	83,152,875	+	3.9
Gross Revenue C.P.R.	\$	73,796,545	72,701,237	+	1.5
<u>Employment - 8 months' average, unadjusted</u>					
General Index,	1926=100	109.8	110.2	-	0.4
Manufacturing		108.6	110.6	-	1.8
Logging		97.9	159.9	-	38.8
Mining		160.7	153.3	+	4.8
Construction		107.6	94.0	+	14.5
Building		52.9	52.7	+	0.4
Highway		212.9	170.0	+	25.2
Trade		135.1	131.3	+	2.9
<u>Banking - Seven Months' Average</u>					
Notice and Demand Deposits	\$	2,386,181,225	2,281,171,000	+	4.6
Readily Available Assets	\$	1,750,679,177	1,591,244,000	+	10.0
Current Loans	\$	807,288,651	761,745,100	+	6.0
Call Loans - Canada	\$	56,000,545	67,870,580	-	17.5
Elsewhere	\$	48,310,352	52,392,220	-	7.8
Security Holdings	\$	1,500,011,612	1,445,226,000	+	3.8

36 factors advanced
18 " declined.



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