



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 nine months of 1939

compared with the

same period of 1938

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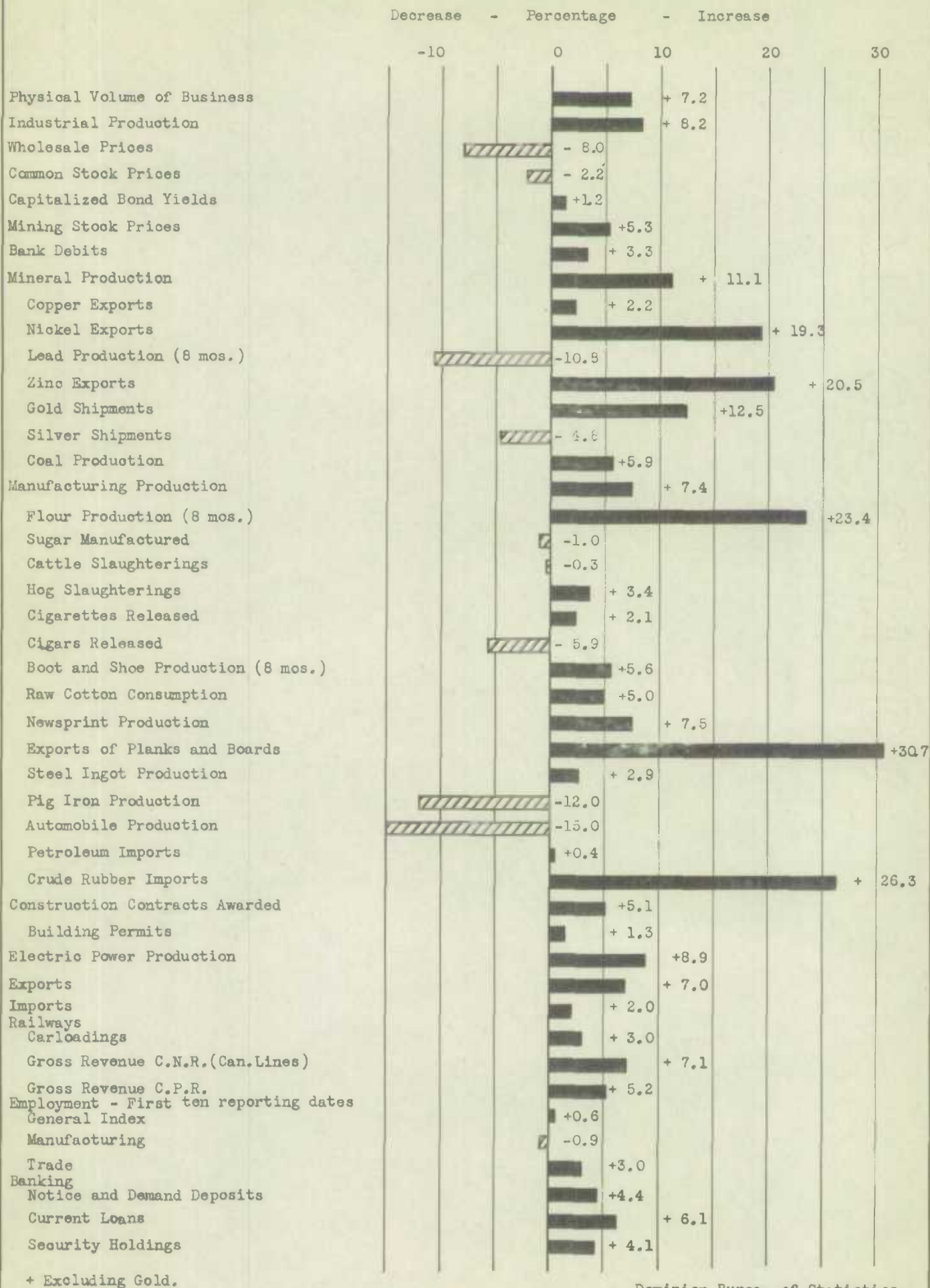
OTTAWA

1939

Price \$1 a year



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



+ Excluding Gold.





DOMINION BUREAU OF STATISTICS - OTTAWA

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

Economic conditions during the first nine months of the present year recorded improvement over the same period of 1938. Wholesale and common stock prices averaged lower than one year ago but the rise in the former during recent weeks brightened the outlook. The outbreak of war in September occasioned several marked changes. These included a decline in the high-grade bond market, but considerable gains in other significant factors. The index of the physical volume of business averaged 7.2 p.c. higher than in the first nine months of 1938. Despite a considerable drop in September, the index of capitalized bond yields recorded a minor increase of 1.2 p.c. Bank debits, during the first nine months, were \$22.7 billion compared with \$22.0 billion in the same period of 1938. The gain in bank debits was due to the greater industrial activity and increased agricultural production.

Some marked changes were shown in the operating accounts of the chartered banks during September. A considerable gain was recorded in demand deposits, while notice deposits were at a lower position. The more striking changes occurred in current loans and in notes in the hands of the public. Current loans rose from \$826 million to \$891 million at the end of September. Notes in the hands of the public also showed a sharp advance, the total having been \$254 million compared with \$210 million. The surplus of current loans over notice deposits was reduced from \$876 million to \$801 million during the month.

Following the minor recession of the beginning of the year, business operations have recorded an advance from month to month. The index of mineral production rose 11 p.c. to 215.4 in the first nine months of 1939. Important gains were shown in the exports of nickel, zinc and the shipments of gold from Canadian mines. The gain in nickel exports was 19.3 p.c. while copper exports were 2.2 p.c. greater. A decline was shown in lead production during the first eight months. Zinc exports amounted to nearly 280 million pounds against 232 million. Gold shipments were 12.5 p.c. greater than in the first nine months of 1938, while a decline of 4.8 p.c. was shown in silver shipments. Coal production amounted to about 10.4 million tons against 9.8 million.

Manufacturing production recorded considerable expansion during the first nine months of 1939, the index averaging 112.1 against 104.4. Flour production in the first eight months amounted to 9.3 million barrels against 7.5 million, a gain of no less than 23 p.c. The manufacture of sugar was nearly maintained, the recession being limited to 1 p.c. The meat packing industry was slightly more active. The release of cigarettes amounted to 5,275 million, recording a gain of 2 p.c. while some recession was shown in the release of cigars. The output of leather boots and shoes during the first eight months rose from 13.4 million pairs to 14.1 million. The cotton textile mills were more active as the consumption of raw cotton rose 5 p.c. to 85.8 million pounds.

The lumber industry showed acceleration in operations as measured by the exports of planks and boards. The outward shipments in the first nine months were nearly 1,580 million feet, a gain of nearly 31 p.c. over the same period of the preceding year. Recent increases have brought the steel ingot production to a slightly higher level than of the same period of 1938. The total was 937,309 long tons against 911,055. Pig iron production, on the other hand, showed a decline of 12 p.c. The automobile plants were less active in the first nine months of 1939, the decline in the output having been 15 p.c. Petroleum imports showed only a slight percentage gain, while the imports of crude rubber used in the manufacture of tires rose 26 p.c. to 48.8 million pounds.

The construction industry was more successful in obtaining new business during the present year. Contracts awarded showing an increase of 5 p.c., while the gain in building permits was 1.3 p.c. Reflecting the greater industrial activity, the output of electric power rose nearly 9 p.c., the total having been 20.6 billion k.w.h. against 18.9 billion.

The export trade, exclusive of gold, was valued at \$636.3 million against \$594.5 million, a gain of 7 p.c. As imports were only 2 p.c. greater, a considerable increase was shown in the active balance of trade.

Despite the fact that the railway traffic movement was since the beginning of May in excess of the corresponding weeks of 1938, the gain in car loadings was limited to 3 p.c. Gross revenue of the two principal railways, however, made a somewhat better showing. The total for the Canadian lines of the C.N.R. was 120.4 million, a gain of 7 p.c. while the gross revenue of the C.P.R. was \$105.9 million against \$100.7, a gain of 5.2 p.c.

The average of the general index for employment during the first 10 months was 112.0 against 111.3, a gain of only 0.6 p.c. A minor decline was shown in the working forces of manufacturing plants and the logging industry was considerably less active. Gains, on the other hand, were shown in mining, construction and trade.





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

Item	Unit or base period	First Nine Months of 1939	1938	Increase + Decrease -	Per cent
<u>General Economic Situation</u>					
Index of Physical Volume of Business	1926=100	118.8	110.8	+	7.2
Index of Industrial Production	1926=100	121.2	112.0	+	8.2
Wholesale Prices	1926=100	73.8	80.2	-	8.0
Index of Common Stock Prices	1926=100	99.6	102.5	-	2.2
Capitalized Bond Yields, Dominion	1926=100	158.7	156.8	+	1.2
Mining Stock Prices	1926=100	151.7	144.1	+	5.3
Bank Debits	\$000	22,731,223	22,007,381	+	3.3
<u>Production and General Business</u>					
Mineral Production	1926=100	215.4	193.9	+	11.1
Copper Exports	Lbs.	418,446,300	409,306,600	+	2.2
Nickel Exports	Lbs.	174,523,500	146,271,800	+	19.3
Lead Production (8 mos.)	Lbs.	251,604,790	282,093,935	-	10.8
Zinc Exports	Lbs.	279,771,100	232,110,000	+	20.5
Gold Shipments	Fine Ozs.	3,842,269	3,416,021	+	12.5
Silver Shipments	Fine Ozs.	15,668,963	16,457,661	-	4.8
Coal Production	Tons	10,378,114	9,798,572	+	5.9
Manufacturing Production	1926=100	112.1	104.4	+	7.4
Flour Production (8 mos.)	Bbls.	9,310,011	7,542,888	+	23.4
Sugar manufactured	Lbs.	561,198,546	567,116,974	-	1.0
Cattle Slaughtering	No.	1,161,876	1,165,302	-	0.3
Hog Slaughtering	No.	2,321,803	2,244,856	+	3.4
Cigarettes released	No.	5,274,645,821	5,163,922,719	+	2.1
Cigars released	No.	90,345,248	95,964,420	-	5.9
Leather Boots and Shoes (8 mos.)	Prs.	14,120,979	13,366,051	+	5.6
Raw Cotton Consumption	Lbs.	85,825,486	81,736,187	+	5.0
Paper and Lumber -					
Newsprint Production	Tons	2,058,899	1,914,660	+	7.5
Exports of Planks and Boards	000 Ft.	1,579,885	1,208,655	+	30.7
Iron and Steel -					
Steel Ingot Production	Long Tons	937,309	911,055	+	2.9
Pig Iron Production	Long Tons	487,982	554,815	-	12.0
Automobile and Allied Industries -					
Automobile Production	No.	110,286	129,698	-	15.0
Petroleum Imports	Gals.	932,911,000	929,581,181	+	0.4
Crude Rubber Imports	Lbs.	48,753,726	38,612,555	+	26.3
Construction -					
Contracts Awarded	\$	150,781,900	143,461,700	+	5.1
Building Permits	\$	43,660,744	43,104,023	+	1.3
Electric Power Production	000 K.W.H.	20,619,428	18,940,697	+	8.9
External Trade -					
Exports	\$	636,308,550	594,547,845	+	7.0
Imports	\$	515,931,719	505,952,759	+	2.0
Excess of exports over imports	\$	120,376,831	88,595,086	+	35.9
Railways -					
Carloadings	No.	1,830,493	1,777,482	+	3.0
Gross Revenue C.N.R. (Can. Lines)	\$	120,412,000	112,400,980	+	7.1
Gross Revenue C.P.R.	\$	105,887,545	100,669,672	+	5.2
<u>Employment 10 months' average, unadjusted</u>					
General Index	1926=100	112.0	111.3	+	0.6
Manufacturing		110.3	111.3	-	0.9
Logging		95.9	141.6	-	32.3
Mining		162.4	154.4	+	5.2
Construction		114.5	102.9	+	11.3
Building		58.6	57.1	+	2.6
Highway		225.9	191.1	+	18.2
Trade		135.5	131.6	+	3.0
<u>Banking - 9 Months' Average</u>					
Notice and Demand Deposits	\$	2,396,214,100	2,294,183,109	+	4.4
Current Loans	\$	818,754,825	771,347,722	+	6.1
Call Loans - Canada	\$	54,686,361	67,305,934	-	18.7
Elsewhere	\$	48,008,803	51,861,914	-	7.4
Security Holdings	\$	1,501,025,842	1,441,982,373	+	4.1

40 factors advanced.

13 " declined.

(new basis  
(excluding gold



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