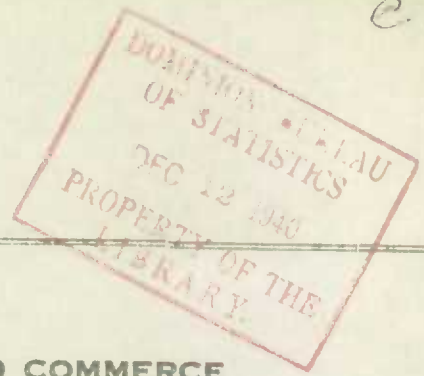


11-D-01



**CANADA**  
**DEPARTMENT OF TRADE AND COMMERCE**  
**DOMINION BUREAU OF STATISTICS**  
**GENERAL STATISTICS BRANCH**

**BUSINESS CONDITIONS IN CANADA**

during the first ten months of 1940

compared with the

same period of 1939

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Minister of Trade and Commerce.

+ + +

OTTAWA

1940

Price \$1 a year

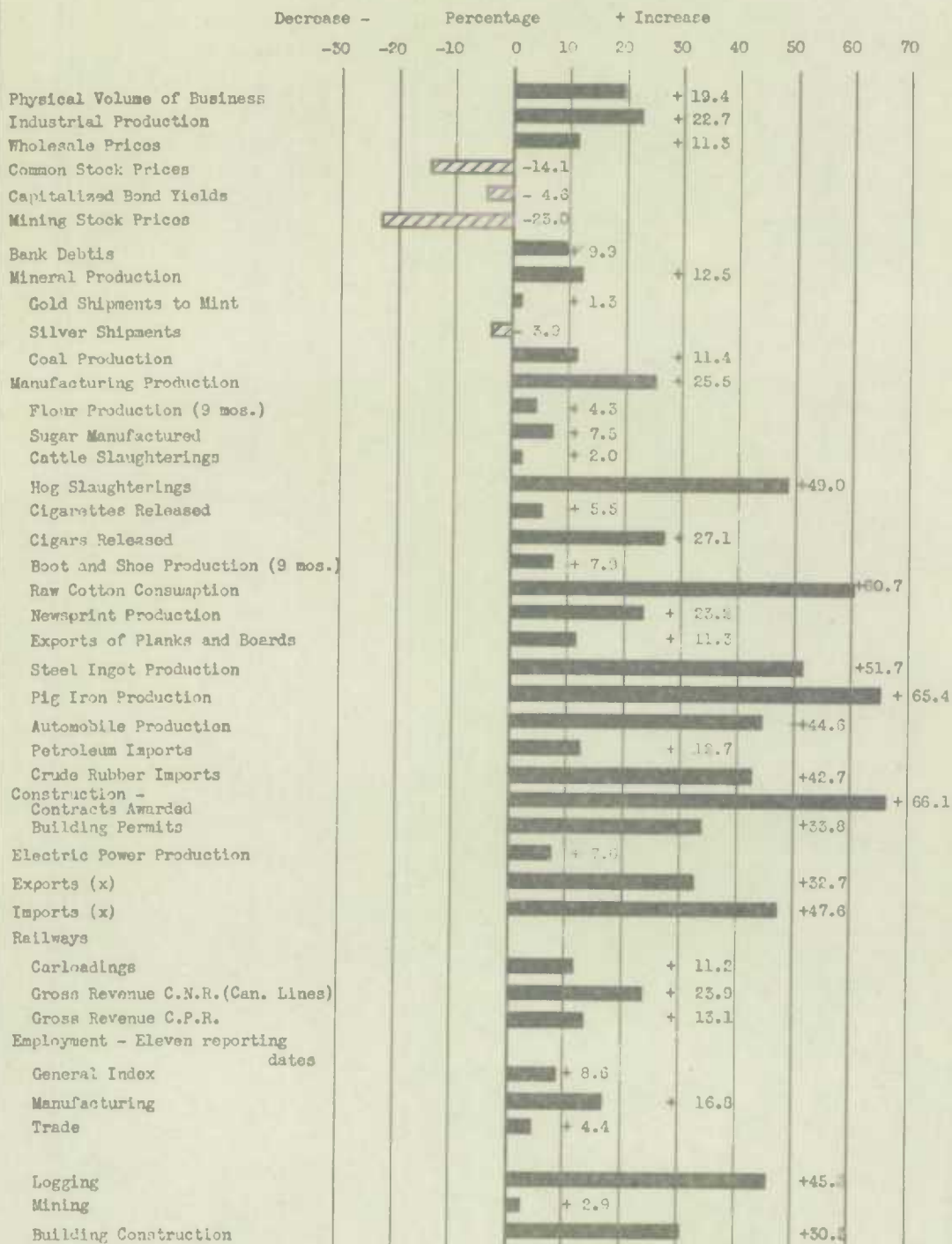


The Economic Situation in Canada

in the First Ten Months

of 1940

as compared with the same period of 1939.



(x) Excluding Gold

- Dominion Bureau of Statistics -





GENERAL STATISTICS BRANCH

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

BUSINESS CONDITIONS IN CANADA DURING THE FIRST TEN MONTHS OF 1940COMPARED WITH THE SAME PERIOD OF LAST YEAR

Economic activity reached a higher level in Canada during the first ten months of the present year than in any other period in history. The index of the physical volume of business on the base of 1926 averaged 143.5 against 120 in the same period of 1939, a gain of 19.4 p.c. The index has recorded a rising trend since the early months of 1939, the net result having been that the standing during the elapsed portion of the present year was higher than in 1929, the culmination of the last prosperity period.

Wholesale prices remained relatively steady during the first ten months of 1940. Owing to the marked advance during the last four months of 1939, the standing this year was considerably above that of one year ago. The official index averaged 82.7 against 74.4, a gain of 11.3 p.c. While the level maintained in the first ten months of 1940 was high relative to the latter part of 1938 and the first eight months of 1939, the standing was below that of 1937 when a temporary peak was reached.

During the last twelve months, high-grade bond prices have shown considerable recovery counterbalancing more than half of the decline in the first month of hostilities. An index of capitalized bond yields was higher in October than in any other month since August 1939. Common stock prices were fairly well maintained until April of the present year, but experienced a more considerable reaction during May and June. The subsequent rise was of a moderate character, the net result having been that the official index averaged 86.0 in the first ten months of 1940 against 100.1 in the same period of 1939. The amount of cheques cashed in clearing centres was \$28.2 billion against \$25.6 billion in the same period of last year, an increase of nearly 10 p.c. This advance was recorded despite inactivity on speculative exchanges and a lower level for common stock prices.

The most constructive factor in the economic situation was the acceleration in business operations. Mineral production recorded a gain of 12.5 p.c., the index advancing from 213.5 to 240. Base metals were produced and shipped in large volume and the production of coal rose from 12.4 million tons to 13.9 million. The receipts of gold at the Mint advanced from 4,043,000 fine ounces to 4,094,000, a gain of 1.3 p.c.

The acceleration due to war requirements was manifested mainly in connection with manufacturing operations. The index of production advanced from 115.3 to 144.7, a gain of more than 25 p.c. over the first ten months of 1939. Textile and iron and steel plants recorded marked expansion in this respect. The consumption of raw cotton rose from 98.9 million pounds to 158.9 million, a gain of 60.7 p.c. The primary iron and steel industry was particularly active, the production of steel ingots rising nearly 52 p.c. to 1.6 million long tons. The output of pig iron was 949,000 tons against 574,000, a gain of 65.4 p.c. Automobile production, including vehicles for war service, rose 44.6 p.c. to nearly 176,000 units. The imports of crude petroleum and crude rubber recorded marked increase. The inward shipments of crude petroleum amounted to 1,239 million gallons, an increase of 12.7 p.c., while crude rubber imports rose 42.7 p.c. to 86.1 million pounds.

The amount of construction contracts awarded, including war plants and defence establishments was reported at \$274 million against \$165 million in the first ten months of 1939, a gain of 66 p.c. The issue of building permits in 58 municipalities amounted to \$66.5 million against \$49.5 million. Electric energy production reflected the change-over to firm power of a considerable amount previously utilized for electric boilers. The total was nearly 25 billion kilowatt hours, against 23.2 billion one year ago, an increase of 7.6 p.c.

External trade was characterized by heavy imports of raw materials, the total value of inward shipments having been \$877.4 million against \$594.4 million, a gain of nearly 48 p.c. Exports, reflecting mainly enlarged shipments to Britain, amounted to \$976 million against \$735.5 million, a gain of nearly one-third.





Statistics Illustrating the Economic Situation of Canada in the First Ten Months of 1940,  
Compared with the Same Period of 1939.

Item	Unit or base period	First Ten Months of 1940	1939	Increase + Decrease -
<b>General Economic Situation</b>				Per cent
Index of Physical Volume of Business	1926=100	143.5	120.2	+ 19.4
Index of Industrial Production	1926=100	151.1	123.1	+ 22.7
Wholesale Prices	1926=100	82.7	74.3	+ 11.3
Index of Common Stock Prices	1926=100	86.0	100.1	- 14.1
Capitalized Bond Yields, Dominion	1926=100	137.9	144.6	- 4.6
Mining Stock Prices	1926=100	116.3	151.0	- 23.0
Bank Debits	\$000	28,179,805	25,630,139	+ 9.9
<b>Production and General Business</b>				
Mineral Production	1926=100	240.2	213.5	+ 12.5
Gold Receipts	Fine Ozs.	4,093,833	4,042,650	+ 1.3
Silver Shipments	Fine Ozs.	17,425,669	18,130,319	- 3.9
Coal Production	Tons	13,864,345	12,449,814	+ 11.4
Manufacturing Production	1926=100	144.7	115.3	+ 25.5
Flour Production (9 mos.)	Bbls.	11,717,847	11,237,113	+ 4.3
Sugar Manufactured	Lbs.	712,519,894	662,803,108	+ 7.5
Cattle Slaughtering	No.	1,339,574	1,313,810	+ 2.0
Hog Slaughtering	No.	4,094,794	2,747,733	+ 49.0
Cigarettes released	No.	6,310,136,641	5,980,875,494	+ 5.5
Cigars released	No.	131,582,041	103,511,928	+ 27.1
Leather Boots and Shoes (9 mos.)	Prs.	17,198,738	16,026,146	+ 7.3
Raw Cotton Consumption	Lbs.	158,881,558	98,861,584	+ 60.7
Paper and Lumber -				
Newsprint Production	Tons	2,883,562	2,339,884	+ 23.2
Exports of Planks and Boards	M ft.	2,029,857	1,823,970	+ 11.3
Iron and Steel -				
Steel Ingot Production	Long Tons	1,649,639	1,087,583	+ 51.7
Pig Iron Production	Long Tons	948,841	573,740	+ 65.4
Automobile and Allied Industries -				
Automobile Production	No.	175,999	121,694	+ 44.6
Petroleum Imports	000 Gals.	1,239,104	1,099,020	+ 12.7
Crude Rubber Imports	Lbs.	86,140,318	60,631,009	+ 42.7
Construction -				
Contracts Awarded	\$	274,110,000	165,010,000	+ 66.1
Building Permits 1/	\$	66,268,702	49,539,913	+ 33.8
Electric Power Production	000 K.W.H.	24,971,047	23,213,736	+ 7.6
External Trade - (x)				
Exports	\$	976,102,781	735,458,619	+ 32.7
Imports	\$	877,364,556	594,384,985	+ 47.6
Excess of exports over imports	\$	98,738,225	141,073,634	
Railways -				
Carloadings	No.	2,336,507	2,101,259	+ 11.2
Gross Revenue C.N.R. (Can. Lines)	\$	172,732,000	139,409,000	+ 23.9
Gross Revenue C.P.R.	\$	139,189,000	123,021,000	+ 13.1
<b>Employment - 11 months' average unadjusted -</b>				
General Index	1926=100	122.8	113.1	+ 8.6
Manufacturing		130.1	111.4	+ 16.8
Logging		154.4	105.9	+ 45.8
Mining		168.0	163.2	+ 2.9
Construction		89.3	114.8	- 22.2
Building		79.6	61.0	+ 30.5
Highway		121.2	224.4	- 46.0
Trade		141.9	135.9	+ 4.4
<b>Banking - Ten months' average -</b>				
Notice and Demand Deposits	\$	2,500,303,513	2,409,680,075	+ 3.8
Current Loans	\$	960,262,361	832,109,009	+ 15.4
Call Loans - Canada	\$	44,781,148	54,562,187	- 17.9
Security Holdings	\$	1,591,013,483	1,517,096,005	+ 4.9

(x) Excluding gold.  
1/ 58 Municipalities.

40 items show increases.  
7 items show decreases.

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