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

BUSINESS CONDITIONS IN CANADA

during the first four months

of 1940

compared with the

same period of 1939

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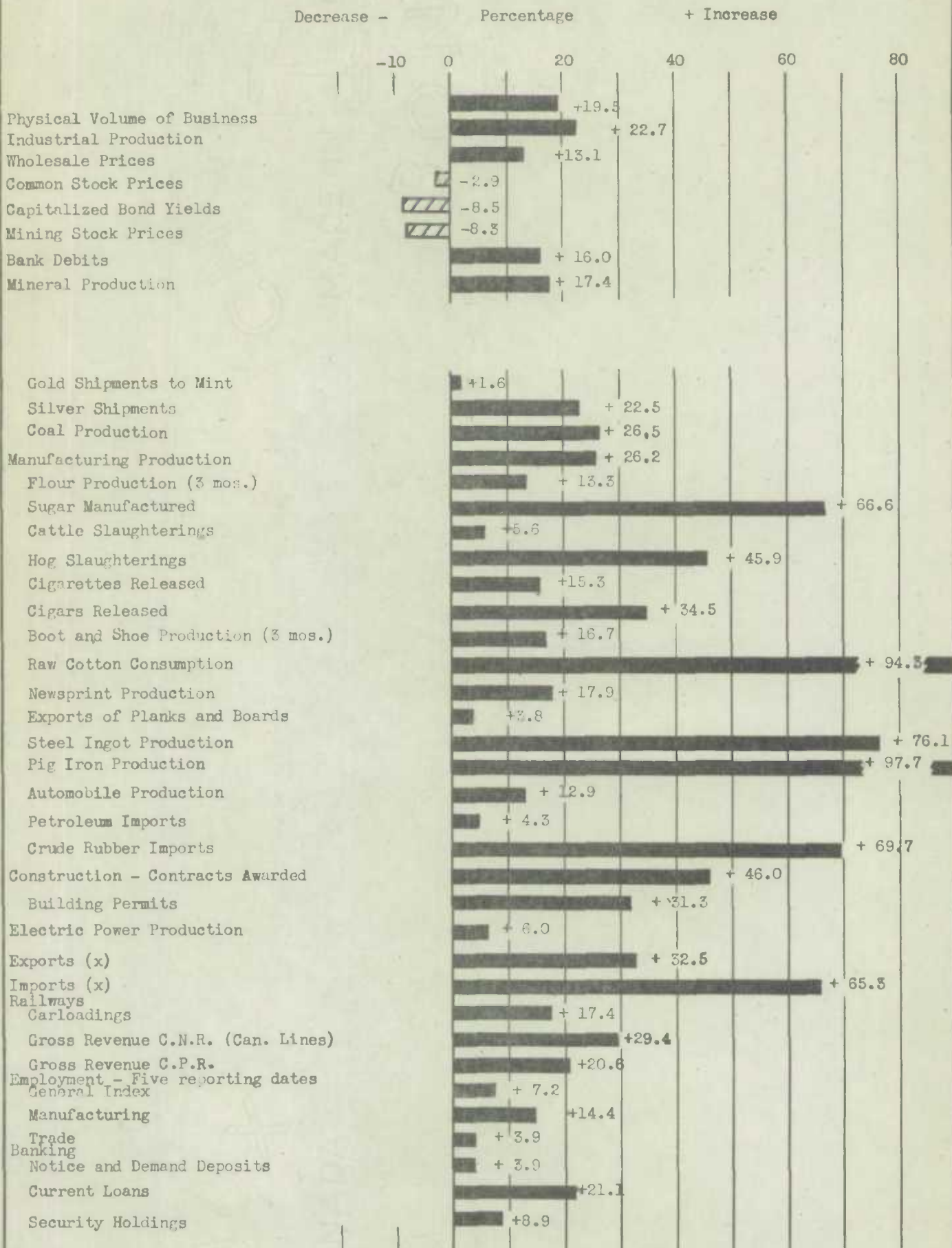
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The Economic Situation in Canada

in the First Four Months of

1940

as compared with the same period of 1939.



(x) Excluding Gold

DOMINION BUREAU OF STATISTICS - OTTAWA

GENERAL STATISTICS BRANCH

Dominion Statistician:
Business Statistician:

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BUSINESS CONDITIONS IN CANADA DURING THE FIRST FOUR MONTHS

OF 1940 COMPARED WITH THE SAME PERIOD OF LAST YEAR.

Business operations showed marked acceleration in the first four months of the present year over the same period of 1939. The index of the physical volume of business averaged $19\frac{1}{2}$ p.c. higher than one year ago. The average during the first four months of 1940 was 135.9 against 113.7.

Wholesale prices, owing to the marked advance during the later months of 1939, recorded an increase of 13 p.c. over the first four months of last year. The index averaged 82.9 as compared with 73.3 in the same period of 1939. Recessions were shown during May, especially in grain prices, but the present standing is considerably in advance of the same period of last year. Common stock prices averaged about 3 p.c. lower in the first four months of 1940. The official index was 98.7 against 101.7. Mining stock prices averaged more than 8 p.c. lower than one year ago. The high-grade bond market showed moderate advance during the first four months of 1940, counteracting part of the marked decline during the first month of hostilities. An index of capitalized bond yields, however, averaged about $8\frac{1}{2}$ p.c. below the first four months of 1939.

The average of the notice and demand deposits during the first four months of the present year was \$2,484 million against \$2,392 million in the early months of last year. The advance of 3.9 p.c. marked a new high point in history. Current loans showed an increase of 21 p.c., the average having been \$964 million against \$796 million. Security holdings of the banks rose from \$1,488 million to \$1,621 million, a gain of nearly 9 p.c. The amount of cheques cashed at the branches of the chartered banks in 32 clearing centres was \$10,981 million in the first four months of the present year, a gain of 16 p.c. over the \$9,463 million cashed during the same period of 1939.

An index of mineral production of nine important factors rose 17.4 p.c. in the first four months of the present year compared with 1939. The standing of the index on the base of 1926 was 230 against 196 one year ago. The volume of copper, nickel and zinc exports rose. Shipments of gold to the Mint were 1,611,605 fine ounces, a gain of 1.6 p.c. over the same period of last year. Silver shipments were 22.5 p.c. greater, the amount consigned by Canadian mines having been 6,688,000 fine ounces. Coal production, indicating expansion in demand for industrial purposes, rose 26.5 p.c. to 5,737,000 tons.

Considerable industrial expansion was indicated by the index of manufacturing production based on 29 factors. The index rose from 108.3 to 136.7, a gain of 26.2 p.c. Flour production, based on the statistics for three months, rose more than 13 p.c. to 3.8 million barrels. The sugar refining industry recorded marked expansion during the early months of the present year, the output having been 182.5 million pounds, against 109.6 million. Hog slaughterings were heavy a gain of 46 p.c. having been shown over the same period of 1939. The release of cigars and cigarettes was greatly augmented in the period under review, the apparent consumption of cigars having shown a gain of $34\frac{1}{2}$ p.c. The consumption of raw cotton, indicating conditions in the cotton textile industry, shown a gain of 94 p.c. The raw cotton used in the first four months of 1940 was 62.7 million pounds. The increase in the output of leather boots and shoes during the first three months was nearly 17 p.c.

The forestry industry was more active in the first four months, the gain in the output of newsprint having been nearly 18 p.c. The tonnage was 1,003,081 against 850,504. The exports of planks and boards was nearly 580 million feet against 558 million.

Owing to expanded demand, the primary iron and steel industry was active in the first four months of the present year. The output of steel ingots and castings rose 76 p.c. to 617,616 long tons, while pig iron production was nearly doubled at 367,717 tons. The increase in automobile production was about 13 p.c., the output having been 71,705 units. Petroleum imports rose 4.3 p.c. to 223 million gallons and crude rubber imports, indicating conditions in the tire and rubber goods industry, rose nearly 70 p.c. to 31.7 million pounds.

The construction industry was more successful in obtaining new business during the early months of the present year. Contracts awarded were \$58.2 million against \$39.9 million in the first four months of 1939, a gain of 46 p.c. Building permits placed in urban centres rose 31 p.c. to \$16.9 million. Industrial expansion accounted for a considerable increase in electric power production. The output was 9,718 million kilowatt hours, the gain over the first four months of 1939 being 6 p.c. The value of exports of merchandise, excluding gold, amounted to \$331.3 million in the first four months of 1940, against \$250.1 million, a gain of 32.5 p.c. Imports increased more than 65 p.c. to \$304.9 million. Despite the greater gain in imports, an active trade balance amounting of \$26.5 million was shown during the first four months of the present year.

The railway traffic movement was considerably greater during the period under review. Loadings recorded a gain of 17.4 p.c. to 823,382 cars, compared with 701,116. The gross revenue of the Canadian lines of the C.N.R. showed a gain of 29.4 p.c., while the revenues of the C.P.R. rose 20.6 p.c. The gain on the C.N.R. was from \$45.9 million to \$59.3 million, while the C.P.R. rose from \$39.5 million to \$47.7 million.

An element in the industrial expansion in the first four months of the present year was the increase in the working forces. A general index of employment averaged 114.1 against 106.4 in the same period of 1939, a gain of 7.2 p.c. The increase in the index of manufacturing was 14.4 p.c., while considerable gains were shown in logging and mining. Building construction recorded a gain of 7.8 p.c., the index rising from 46.1 to 49.7. The expansion in employment in trading establishments was about 4 p.c., the index standing at 139.4 against 134.2.

The first part of the paper is devoted to a general discussion of the problem of the origin of life. It is shown that the problem is one of the most important and interesting in the history of science.

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

Item	Unit or base period	First 4 Months		Increase + Decrease -	
		1940	1939	Per cent	
<u>General Economic Situation</u>					
Index of Physical Volume of Business	1926=100	135.9	113.7	+	19.5
Index of Industrial Production	1926=100	142.0	115.7	+	22.7
Wholesale Prices	1926=100	82.9	73.3	+	13.1
Index of Common Stock Prices	1926=100	98.7	101.7	-	2.9
Capitalized Bond Yields, Dominion	1926=100	136.2	148.8	-	8.5
Mining Stock Prices	1926=100	136.5	153.9	-	8.3
Bank Debits	\$000	10,980,510	9,463,015	+	16.0
<u>Production and General Business</u>					
Mineral Production	1926=100	230.2	196.0	+	17.4
Gold Shipments to Mint	Fine Ozs.	1,611,605	1,586,800	+	1.6
Silver Shipments	Fine Ozs.	6,688,104	5,461,329	+	22.5
Coal Production	Tons	5,736,660	4,535,200	+	26.5
Manufacturing Production	1926=100	136.7	108.3	+	26.2
Flour Production (3 months)	Bbls.	3,770,135	3,329,005	+	13.3
Sugar Manufactured	Lbs.	182,461,630	109,550,662	+	66.6
Cattle Slaughtering	No.	477,544	452,289	+	5.6
Hog Slaughtering	No.	1,556,644	1,066,843	+	45.9
Cigarettes released	No.	2,317,045,441	2,009,455,004	+	15.3
Cigars released	No.	45,089,055	33,516,046	+	34.5
Leather Boots and Shoes (3 months)	Prs.	6,150,899	5,269,594	+	16.7
Raw Cotton Consumption	Lbs.	62,747,235	32,301,702	+	94.3
<u>Paper and Lumber -</u>					
Newsprint Production	Tons	1,003,081	850,504	+	17.9
Exports of Planks and Boards	ooo Ft.	579,605	558,464	+	3.8
<u>Iron and Steel -</u>					
Steel Ingot Production	Long Tons	617,616	350,774	+	76.1
Pig Iron Production	Long Tons	367,717	185,970	+	97.7
<u>Automobile and Allied Industries -</u>					
Automobile Production	No.	71,705	63,534	+	12.9
Petroleum Imports	000 Gals.	223,074	213,855	+	4.3
Crude Rubber Imports	Lbs.	31,690,594	18,673,375	+	69.7
<u>Construction -</u>					
Contracts Awarded	\$	58,244,700	39,889,400	+	46.0
Building Permits 1/	\$	16,922,367	12,888,791	+	31.3
Electric Power Production	000 K.W.H.	9,718,053	9,164,439	+	6.0
<u>External Trade - (x)</u>					
Exports	\$	331,325,726	250,122,414	+	32.5
Imports	\$	304,859,113	184,412,019	+	65.3
Excess of exports over imports	\$	+ 26,466,613	+ 65,710,395	-	-
<u>Railways -</u>					
Carloadings	No.	823,382	701,116	+	17.4
Gross Revenue C.N.R. (Can. Lines)	\$	59,344,171	45,877,000	+	29.4
Gross Revenue C.P.R.	\$	47,682,000	39,532,000	+	20.6
<u>Employment 5 months' average, unadjusted</u>					
General Index	1926=100	114.1	106.4	+	7.2
Manufacturing		122.0	106.6	+	14.4
Logging		158.9	103.5	+	53.5
Mining		165.8	159.0	+	4.3
Construction		62.1	93.2	-	33.4
Building		49.7	46.1	+	7.8
Highway		82.3	181.6	-	54.7
Trade		139.4	134.2	+	3.9
<u>Banking - 4 month end averages.</u>					
Notice and Demand Deposits	\$	2,484,352,435	2,391,651,020	+	3.9
Current Loans	\$	964,121,957	795,979,520	+	21.1
Call Loans - Canada	\$	52,552,667	58,297,210	-	9.9
Security Holdings	\$	1,620,672,067	1,487,996,570	+	8.9

(x) Excluding gold.

1/ Revised - 58 Municipalities.

41 factors advanced.

6 factors declined.

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