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BUSINESS CONDITIONS IN CANADA

during the first seven months of 1940

compared with the

same period of 1939

.....+ + +.....

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Minister of Trade and Commerce.

+ + +

OTTAWA

1940

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C A N A D A

DEPARTMENT OF TRADE AND COMMERCE

CANADIAN BUREAU OF STATISTICS

CENTRAL STATISTICS BRANCH

BUSINESS CONCERNING THE 1911 ALMANAC

During the first seven months of 1910

compared with the

same period of 1909

The following table shows the number of copies of the 1911 Almanac ordered by the various departments of the Government during the first seven months of 1910 compared with the same period of 1909.

TABLE

1910

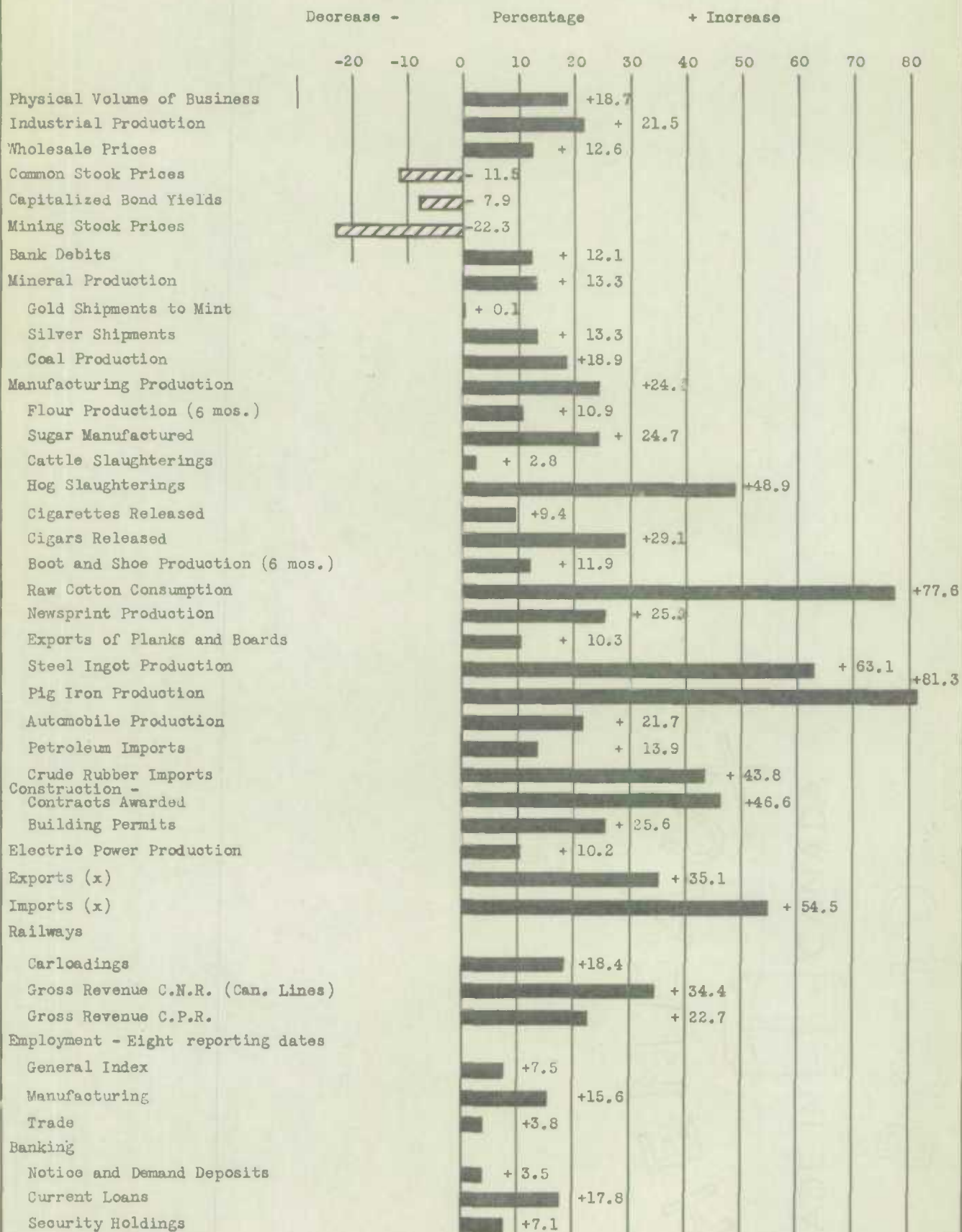
1909

The Economic Situation in Canada

in the First Seven Months

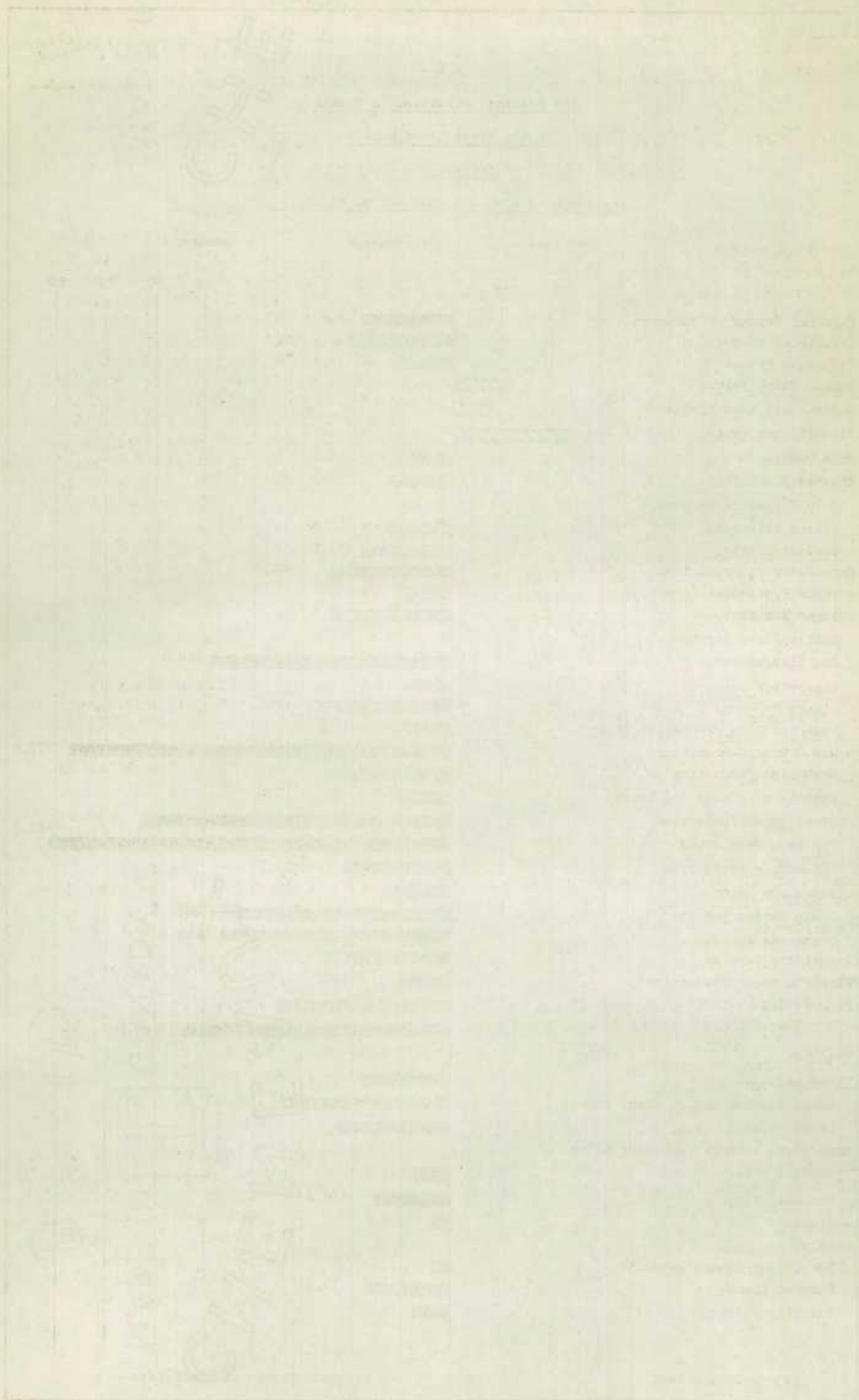
of 1940

as compared with the same period of 1939.



(x) Excluding Gold.

- Dominion Bureau of Statistics -



DOMINION BUREAU OF STATISTICS - OTTAWA

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 SEVEN MONTHS OF 1940

COMPARED WITH THE SAME PERIOD OF LAST YEAR.

Economic activity recorded marked expansion in the first seven months of the present year over the same period of 1939. Interest was centered on the acceleration in business operations which has continued practically without interruption since the early months of last year. The index of the physical volume of business rose nearly 19 p.c. averaging 138.6 during the last seven months. Complementary increases were recorded in the chief components of business operations. The index of mineral production, for example, advanced more than 13 p.c. over the high level of 1939. The outstanding feature was the advance in the activities of the manufacturing industry, the official index of which rose nearly 25 p.c. to 137.3. The construction industry was successful in obtaining a large amount of new business during the first seven months of the present year. The total was greatly expanded by government contracts for the building of plants required for the manufacture of munitions. The increase in electric power production was more than 10 p.c., and even greater expansion is expected as the manufacture of war materials reaches its maximum. The freight railway traffic participated in the expansion of the movement of commodities to ultimate markets. The cars of freight loaded rose 18.4 p.c. in this comparison. The index of employment reflected the recall of important working forces. The index averaged 118 during the first eight months of the year against 109.8, a gain of $7\frac{1}{2}$ p.c.

A number of the factors indicating the trend of mineral production recorded expansion in the first seven months of 1940. A slight gain was shown in receipts of gold at the Royal Canadian Mint, the total amounting to 2,817,000 fine ounces. Silver shipments rose 13 p.c. and a greater internal demand for coal resulted in an expansion of nearly 19 p.c. in the output, the total in the first seven months of 1940 having been 9.4 million tons.

The factors indicating the trend of manufacturing production listed in the accompanying table, recorded general increases over the first seven months of 1939. Flour production was 11 p.c. greater, the total in the period for which statistics are available having been 7.6 million barrels. The manufacture of refined sugar was up nearly 25 p.c., the total having been 483 million pounds against 388 million in the same period of last year. Hog slaughtering showed a gain of about 49 p.c. Increases of 9 p.c. and 29 p.c., respectively, were shown in the release of cigarettes and cigars for consumption. An increase of 12 p.c. was shown in the manufacture of leather boots and shoes, the total output having been 11.7 million pairs in the first six months of this year. The greater activity of the textile industry was reflected in the gain in the consumption of raw cotton. The increase was no less than 77.6 p.c. to 111 million pounds.

The significant factors indicate an acceleration in the operations of the forestry industry. Newsprint production was about 26 p.c. greater at 1,975,000 tons, while the export of planks and boards rose 10.3 p.c. at 1,230 million feet. The greater production of steel ingots and pig iron portrays a marked expansion in the operations of the primary iron and steel industry. The output of steel ingots was 1,128,000 tons compared with 691,000, a gain of 63 p.c., while the production of pig iron rose from 356,000 tons to 646,000, a gain of no less than 81 p.c. The output of automobiles rose from 103,000 to 125,000,

while imports of crude petroleum and rubber, indicating conditions in the auxiliary industries, rose 14 p.c. and 44 p.c. respectively. Building permits in 58 municipalities rose 26 p.c., while the record of construction contracts awarded was 47 p.c. greater at \$155 million.

Exports, excluding gold, showed a gain of 35 p.c., the total having been \$655 million. An even greater percentage increase was shown in imports of merchandise for consumption, the total having been \$586 million, a gain of nearly 55 p.c. The increase in railway traffic and other activity carried on by the two main railways resulted in a sharp increase of the gross revenues. The Canadian National Railways received \$116.2 million against \$86.4 million, a gain of 34.4 p.c., while the gross revenue of the Canadian Pacific Railway rose from \$74 million to \$91 million, the gain having been about 23 p.c.

The percentage gains in the number of persons employed indicates the relative expansion in various segments of the Canadian economy. The index of employment of manufacturing plants rose 15.6 p.c., having been 25.5 p.c. greater than in the base year of 1926. The increase in logging was 44.7 p.c. while building construction was about 17 p.c. greater. The increase in mining was 3½ p.c., while the index of employment in retail and wholesale trade rose 3.8 p.c.

Some disparity was shown between the trend of prices in different fields. Commodity prices at wholesale averaged 12.6 p.c. greater in the first seven months of the present year, the standing having been 82.5 against 73.3. Declines were shown in common stock prices, the index averaging 88.5 against 100 in the same period of last year. Common stock prices had been without important trend from the later months of 1937 to the early part of the present year. Sharp reaction was recorded in May and June and the advances since that time have been of a relatively minor character.

Speculative trading has recently been at a relatively low level, nevertheless bank debits or the amount of cheques cashed at clearing house centres rose 12 p.c. to \$19.6 billion. The sum of notice and demand deposits of the chartered banks rose during the latter part of 1939 reaching a maximum at the end of January. Since that time, deposits have shown decline. The net result was that the average for the first seven months amounted to \$2,470 million against \$2,386 million in the same period of 1939, an increase of only 3.5 p.c. Current loans, on the other hand, showed an advance of nearly 18 p.c. from \$807 million to \$951 million. Despite the increasing disparity between deposits and current loans, security holdings have recorded an increase of 7 p.c., the average of \$1,500 million in the first seven months of 1939 having risen to \$1,607 million in the period under review.

The following information was obtained from the records of the Department of the Interior, Bureau of Land Management, regarding the land in question.

The land in question is situated in the County of ... State of ... and is bounded by ... on the north, ... on the south, ... on the east, and ... on the west.

The land in question is situated in the County of ... State of ... and is bounded by ... on the north, ... on the south, ... on the east, and ... on the west.

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The land in question is situated in the County of ... State of ... and is bounded by ... on the north, ... on the south, ... on the east, and ... on the west.

100-100000

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

| Item | Unit or base period | Seven Months 1940 | 1939 | Increase + Decrease - | |
|--|------------------------|----------------------|---------------|--------------------------|----------|
| <u>General Economic Situation</u> | | | | | Per Cent |
| Index of Physical Volume of Business | 1926=100 | 138.6 | 116.8 | + | 18.7 |
| Index of Industrial Production | 1926=100 | 144.8 | 119.2 | + | 21.5 |
| Wholesale Prices | 1926=100 | 82.5 | 73.3 | + | 12.6 |
| Index of Common Stock Prices | 1926=100 | 88.5 | 100.0 | - | 11.5 |
| Capitalized Bond Yields, Dominion | 1926=100 | 136.9 | 148.7 | - | 7.9 |
| Mining Stock Prices | 1926=100 | 119.5 | 153.8 | - | 22.3 |
| Bank Debits | \$000 | 19,624,238 | 17,509,832 | + | 12.1 |
| <u>Production and General Business</u> | | | | | |
| Mineral Production | 1926=100 | 240.1 | 212.0 | + | 13.3 |
| Gold Receipts | Fine Ozs. | 2,817,393 | 2,814,415 | + | 0.1 |
| Silver Shipments | Fine Ozs. | 12,361,314 | 10,914,131 | + | 13.3 |
| Coal Production | Tons | 9,403,459 | 7,907,300 | + | 18.9 |
| Manufacturing Production | 1926=100 | 137.3 | 110.2 | + | 24.6 |
| Flour Production (6 mos.) | Bbls. | 7,567,572 | 6,822,351 | + | 10.9 |
| Sugar Manufactured | Lbs. | 483,403,070 | 387,788,743 | + | 24.7 |
| Cattle Slaughtering | No. | 919,476 | 894,651 | + | 2.8 |
| Hog Slaughtering | No. | 2,658,460 | 1,784,857 | + | 48.9 |
| Cigarettes released | No. | 4,344,892,611 | 3,970,326,042 | + | 9.4 |
| Cigars released | No. | 86,808,834 | 67,266,507 | + | 29.1 |
| Leather Boots and Shoes (6 mos.) | Prs. | 11,736,982 | 10,488,647 | + | 11.9 |
| Raw Cotton Consumption | Lbs. | 111,011,723 | 62,517,580 | + | 77.6 |
| Paper and Lumber - | | | | | |
| Newsprint Production | Tons | 1,974,676 | 1,568,694 | + | 25.9 |
| Exports of Planks and Boards | M ft. | 1,229,922 | 1,114,950 | + | 10.3 |
| Iron and Steel - | | | | | |
| Steel Ingot Production | Long Tons | 1,127,823 | 691,290 | + | 63.1 |
| Pig Iron Production | Long Tons | 645,551 | 356,108 | + | 81.3 |
| Automobile and Allied Industries - | | | | | |
| Automobile Production | No. | 125,380 | 103,000 | + | 21.7 |
| Petroleum Imports | Gals. | 724,352,000 | 636,148,000 | + | 13.9 |
| Crude Rubber Imports | Lbs. | 52,035,287 | 36,196,076 | + | 43.8 |
| Construction - | | | | | |
| Contracts Awarded | \$ | 154,741,000 | 105,575,600 | + | 46.6 |
| Building Permits 1/ | \$ | 42,247,633 | 33,647,625 | + | 25.6 |
| Electric Power Production | 000 K.W.H. | 17,583,735 | 15,950,096 | + | 10.2 |
| <u>External Trade - (x)</u> | | | | | |
| Exports | \$ | 655,174,202 | 485,107,765 | + | 35.1 |
| Imports | \$ | 585,597,018 | 379,059,369 | + | 54.5 |
| Excess of exports over imports | \$ | 69,577,184 | 106,048,396 | - | - |
| <u>Railways -</u> | | | | | |
| Carloadings | No. | 1,547,488 | 1,306,859 | + | 18.4 |
| Gross Revenue C.M.R. (Can. Lines) | \$ | 116,185,000 | 86,395,000 | + | 34.4 |
| Gross Revenue C.P.R. | \$ | 90,945,000 | 74,101,000 | + | 22.7 |
| <u>Employment - 8 months' average unadjusted</u> | | | | | |
| General Index | 1926=100 | 118.0 | 109.8 | + | 7.5 |
| Manufacturing | | 125.5 | 108.6 | + | 15.6 |
| Logging | | 141.7 | 97.9 | + | 44.7 |
| Mining | | 166.4 | 160.7 | + | 3.5 |
| Construction | | 77.5 | 107.6 | - | 28.0 |
| Building | | 61.8 | 52.9 | + | 16.8 |
| Highway | | 106.6 | 212.9 | - | 49.9 |
| Trade | | 140.3 | 135.1 | + | 3.8 |
| <u>Banking - Seven months' average</u> | | | | | |
| Notice and Demand Deposits | \$ | 2,470,228,177 | 2,386,181,225 | + | 3.5 |
| Current Loans | \$ | 950,783,391 | 807,288,651 | + | 17.8 |
| Call Loans - Canada | \$ | 47,444,540 | 56,000,545 | - | 15.3 |
| Security Holdings | \$ | 1,607,073,493 | 1,500,011,612 | + | 7.1 |

(x) Excluding gold.
1/ - 58 Municipalities.

41 items show increases
6 items show decreases

