

11-D-01

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 eight months of 1940

compared with the

same period of 1939

-----+ + +-----

Published by Authority of the Hon. James A. MacKinnon, M.P.,  
Minister of Trade and Commerce.

+ + +

OTTAWA

1940

Price \$1 a year

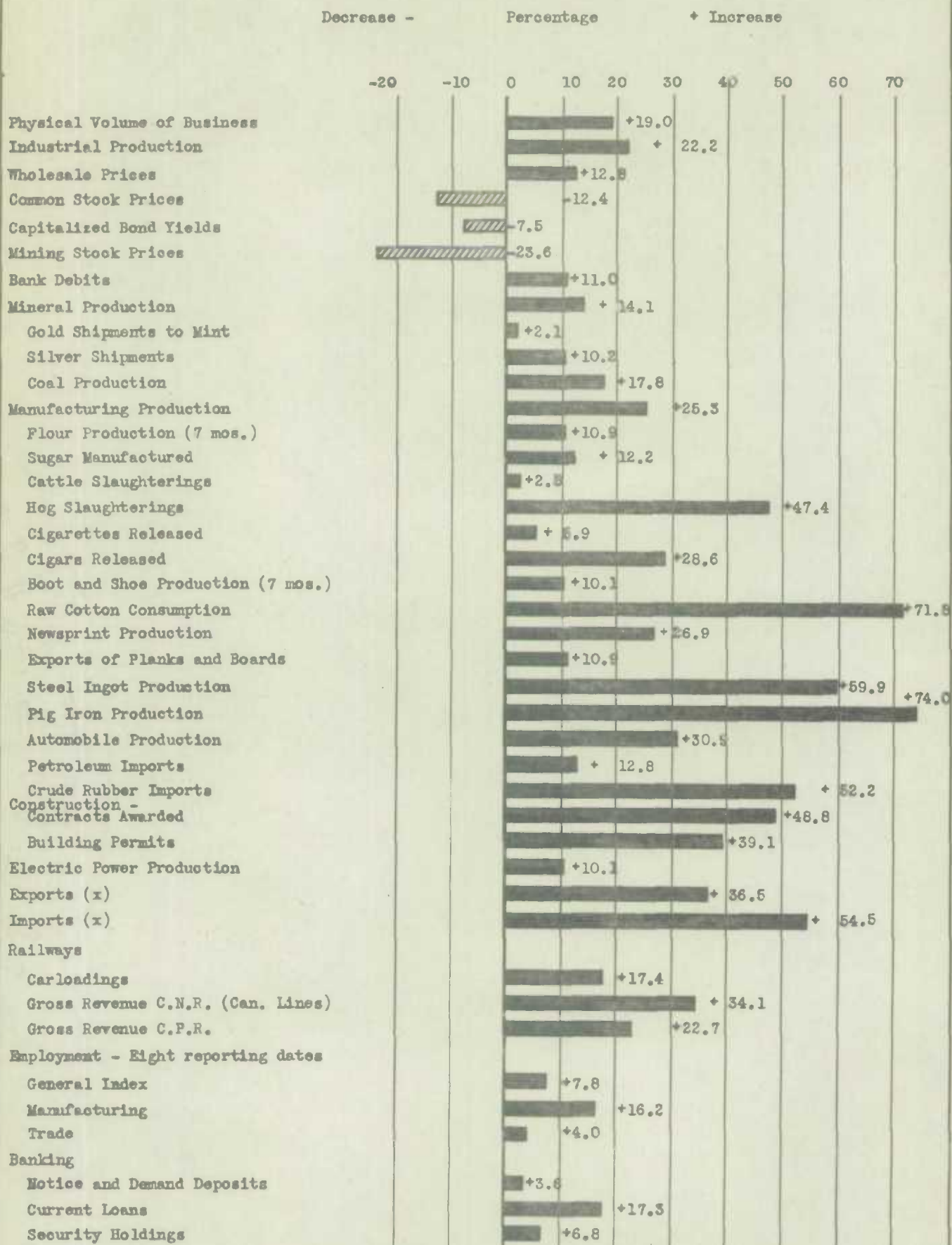


The Economic Situation in Canada

in the First Eight 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 EIGHT MONTHS OF 1940

COMPARED WITH THE SAME PERIOD OF LAST YEAR.

A constructive factor in the Canadian economic situation during the first eight months of the present year was the marked advance in productive activity. The index of the physical volume of business averaged 140.3 against 118.0 during the same period of last year. The advance in business operations has been practically continuous since the early months of 1939. The net result was that the volume of production was higher in August than at any other time during the period of observation since the termination of the last war. The advance in productive operations resulted in a greater utilization of man power, the index of employment at the first of September having been higher than at any other time during the last twenty years. The index averaged 119.5 during the first eight months of the present year against about 111.0 in the same period of 1939.

Wholesale prices averaged higher than during the early months of 1939, the index standing at 82.6 against 73.2. A marked advance occurred during the last four months of 1939 and the level has remained relatively stable since the first of the year.

The fluctuation in bond and stock prices has reflected the influence of the uncertainties of a war period. High-grade bond prices reacted sharply in September of last year but have subsequently recorded considerable advance. The net result has been that about half of the decline which occurred in the first month of the war, has been counterbalanced in subsequent months. Despite the slackened speculative trading, the amount of cheques cashed at the clearing centres at \$22.1 billion was eleven per cent greater than in the same period of last year. The increase in bank debits was doubtless due in large measure to the acceleration in business operations at the prevalent higher price level.

Each of the five main constituents of the index of the physical volume of business recorded gains over the early months of 1939. The index of mineral production advanced from 214 to 245, a gain of fourteen per cent. Marked increases were shown in the production and shipment of base metals. Gold receipts at the Canadian Mint were more than two per cent greater than one year ago, the total having been 3,281,000 fine ounces. Silver shipments showed an increase of ten per cent, the advance having been from 13.4 million fine ounces to 14.8 million. Coal production was 10.8 million tons against 9.2 million, a gain of nearly eighteen per cent.

Due to the production of munitions and supplies of different kinds for war purposes, manufacturing plants have been particularly active during the present year, the index of manufacturing output advancing from 111 to 139, a gain of twenty-five per cent. Each of the fifteen principal factors surveyed in this connection recorded marked advances. The increase in hog slaughtering, indicating conditions in the meat packing industry, recorded a gain of forty-seven per cent. The release of cigars advanced from 78.6 million to 101.0 million. A gain in the output of the boot and shoe industry was more than

# THE HISTORY OF THE

## REPUBLIC OF THE UNITED STATES

OF AMERICA

FROM THE FIRST SETTLEMENTS TO THE PRESENT TIME

BY

JOHN ADAMS

OF THE MASSACHUSETTS

IN TWO VOLUMES

LONDON

PRINTED BY



ten per cent, the total in the first seven months of this year having been 13.3 million pairs. The expansion in the operation of the cotton textile industry is indicated by an increase of about seventy-two per cent in raw cotton consumption.

The forestry industry was more active, considerable increase having been shown in the production of newsprint, and in the movement of planks and boards. The output of newsprint was 2.3 million tons against 1.8 million, a gain of nearly twenty-seven per cent. The export of planks and boards rose eleven per cent to 1,511 million feet.

The primary iron and steel industry was favoured by orders arising from war conditions. Steel production rose from 813,000 long tons to 1,300,000. The advance in pig iron was from 422,000 to 734,000. The gain in the output of steel ingots and pig iron consequently was sixty per cent and seventy-four per cent, respectively.

The production of automobiles rose thirty-one per cent to 139,000 units. Advances were shown in factors indicating activity in associate industries. The imports of crude petroleum rose thirteen per cent to 904 million gallons and crude rubber imports were 62 million pounds, a gain of fifty-two per cent.

New business obtained by the construction industry reflected the programme for new plants for war purposes. The increase in contracts awarded was forty-nine per cent at \$195 million. The issue of building permits in 58 municipalities was \$69 million against \$49 million in the first eight months of last year. The expansion in industrial operations led to an increased demand for electric power. The total was in excess of 20.0 billion kilowatt hours compared with 18.2 billion one year ago. The external trade of the Dominion has recorded marked expansion in volume and value. Imports amounted to \$682 million against \$442 million, a gain of 54.5 per cent. Exports, excluding gold, amounted to \$766.5 million, a gain of 36.5 per cent. While the active balance of trade shows some reduction from the same period of 1939, the total was still substantial.

Traffic was moved in much greater volume by the railways during the first eight months of the present year, the total amounting to 1.8 million cars. An increase of 17.4 per cent over the 1.5 million cars loaded in the same period of 1939 was recorded. The gain in the gross revenue on the Canadian lines of the C. N. R. was thirty-four per cent, while the gross revenue of the C. P. R. recorded a gain of nearly twenty-three per cent.

The recall of many men to gainful pursuits was indicated by the increase in the indexes of employment. The gain in the manufacturing industry was sixteen per cent, the index on the base of 1926 having been 127. Logging operations were active, the expansion amounting to forty-nine per cent. Building construction engaged a greater number of men, while a decline was shown in highway operations. The increase in the mining industry was 3.3 per cent, the index advancing from 161.5 to 166.8.

The sum of the notice and demand deposits placed at the disposal of the chartered banks averaged 3.6 per cent greater in the first eight months of the present year, the total having been \$2,475 million. A far greater percentage increase was shown in current loans, the total moving up from \$809.7 million to \$949.4 million, the extent of the rise having been 17.3 per cent. The chartered banks also added to their security holdings, the average during the last eight months having been \$1,602 million against \$1,501 in the same period one year ago.





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

Item	Unit or base period	Eight Months		Increase + Decrease -
		1940	1939	
<u>General Economic Situation</u>				
Index of Physical Volume of Business	1926=100	140.3	117.9	Per Cent + 19.0
Index of Industrial Production	1926=100	147.0	120.3	+ 22.2
Wholesale Prices	1926=100	82.6	73.2	+ 12.8
Index of Common Stock Prices	1926=100	87.0	99.3	- 12.4
Capitalized Bond Yields, Dominion	1926=100	137.2	148.4	- 7.5
Mining Stock Prices	1926=100	117.3	153.5	- 23.6
Bank Debts	\$000	22,081,944	19,899,573	+ 11.0
<u>Production and General Business</u>				
Mineral Production	1926=100	244.7	214.4	+ 14.1
Gold Receipts	Fine Ozs.	3,280,512	3,212,661	+ 2.1
Silver Shipments	Fine Ozs.	14,756,302	13,386,979	+ 10.2
Coal Production	Tons	10,813,316	9,177,899	+ 17.8
Manufacturing Production	1926=100	139.1	111.0	+ 25.3
Flour Production (7 mos.)	Bbls.	8,790,547	7,927,853	+ 10.9
Sugar Manufactured	Lbs.	549,006,346	489,370,866	+ 12.2
Cattle Slaughtering	No.	1,051,801	1,026,249	+ 2.5
Hog Slaughtering	No.	3,025,671	2,052,195	+ 47.4
Cigarettes released	No.	4,965,781,504	4,689,887,982	+ 5.9
Cigars released	No.	101,093,732	78,603,183	+ 28.6
Leather Boots and Shoes (7 mos.)	Prs.	13,294,720	12,080,303	+ 10.1
Raw Cotton Consumption	Lbs.	127,931,989	74,467,729	+ 71.8
Paper and Lumber -				
Newsprint Production	Tons	2,291,283	1,805,669	+ 26.9
Exports of Planks and Boards	M ft.	1,511,451	1,363,405	+ 10.9
Iron and Steel -				
Steel Ingot Production	Long Tons	1,300,033	813,309	+ 59.9
Pig Iron Production	Long Tons	734,436	422,028	+ 74.0
Automobile and Allied Industries -				
Automobile Production	No.	139,373	106,475	+ 30.9
Petroleum Imports	Gals	904,216,000	801,568,000	+ 12.8
Crude Rubber Imports	Lbs.	62,022,360	40,749,357	+ 52.2
Construction -				
Contracts Awarded	\$	195,489,000	131,402,800	+ 48.8
Building Permits 1/	\$	68,550,380	49,281,987	+ 39.1
Electric Power Production	000 K.W.H.	20,083,914	18,243,128	+ 10.1
<u>External Trade - (x)</u>				
Exports	\$	766,533,775	561,583,507	+ 36.5
Imports	\$	682,432,876	441,767,448	+ 54.5
Excess of exports over imports	\$	84,100,899	119,816,059	-
<u>Railways -</u>				
Carloadings	No.	1,803,441	1,535,837	+ 17.4
Gross Revenue C.N.R. (Can. Lines)	\$	134,628,000	100,407,000	+ 34.1
Gross Revenue C.P.R.	\$	106,538,000	86,848,000	+ 22.7
<u>Employment - 9 months' average unadjusted</u>				
General Index	1926=100	119.5	110.9	+ 7.8
Manufacturing		127.0	109.3	+ 16.2
Logging		140.0	93.7	+ 49.4
Mining		166.8	161.5	+ 3.3
Construction		82.4	112.6	- 26.8
Building		62.0	56.0	+ 10.7
Highway		116.0	223.7	+ 48.1
Trade		140.5	135.1	+ 4.0
<u>Banking - Eight months' average</u>				
Notice and Demand Deposits	\$	2,475,428,625	2,388,790,800	+ 3.6
Current Loans	\$	949,412,950	809,671,537	+ 17.3
Call Loans - Canada	\$	46,211,821	55,138,823	- 16.2
Security Holdings	\$	1,602,268,375	1,500,921,360	+ 6.8

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

41 items show increases  
6 items show decreases

STATISTICS CANADA LIBRARY  
BIBLIOTHÈQUE STATISTIQUE CANADA



1010690550

3