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Commercial Letter

MEMBER OF
The Canadian Bank of Commerce



HEAD OFFICE, TORONTO

NOVEMBER, 1931

General Conditions

CONTRARY to the seasonal trend, between August and September, the total for the month of September declined by \$200 million from August. Nearly \$225 million of this decline in Ontario, the Province and the rest of Canada, exceeding the drop of \$50 million in Ontario. This trend, which is an indication of the larger industrial centres, was marked in the level of activity in construction, in freight handling, in the production of volume of wholesale sales and in construction of works as well as some slackening in production of commodities.

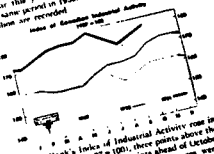
As compared with September 1930 the total for the month of September rose up \$29 million while the average home construction rose up \$10 per cent more than for September in 1930.

The international trade picture has been high-lighted this month by the United Kingdom announcement of plans to cut imports by nearly one-half in value and to reduce exports by one-third. The United Kingdom for ten months has exceeded the dollar in value of goods shipped to the United States. However, the goods shipped to the United States have not exceeded \$100 million since August 1930. The average monthly value of goods shipped to the United States for the first nine months of 1931 is \$100 million, a 10 per cent increase over the same period in 1930. The average monthly value of goods shipped to the United States for the first nine months of 1931 is \$100 million, a 10 per cent increase over the same period in 1930.

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There is no doubt the anti-inflationary policies of the Bank and the Government. On the other hand, the public demand for Government of Canada securities, maturing in less than two years, has risen to a record. The holdings of the Bank of Canada as at 21st November has declined from the end of September by nearly \$100 million, whereas during the same period holders of long term securities rose from \$990 million to \$1,081.8 million, a gain of \$91.8 million.

The value of building contracts awarded in October rose to \$157.8 million, exceeding the record of \$147 million in November 1930. The value of industrial construction was almost double that of October last year, while engineering and commercial construction was down. Contracts for this year total \$2,175 million, whereas for the same period in 1930, contracts valued at \$1,428 million are recorded.



The Bank's Index of Industrial Activity rose in October to 140 (1927 = 100), three points above the September index and nine points above October last year. The group showing increases were food, drink and tobacco, wood products, heavy machinery and steel, automotive and non-ferrous metals.

—MacLennan Building Reports Ltd.

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