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ECONOMIC CONDITIONS IN CANADA DURING THE FIRST TEN MONTHS OF 1944
COMPARED WITH THE SAME PERIOD OF 1943.

The major factors indicating the trend of economic conditions averaged higher in the first ten months of the present year than in the same period of 1943. Productive operations rose to a slightly higher position resulting in a new historical maximum. The index of the physical volume of business rose more than four points to 238.1. Wholesale prices recorded an average increase of about three per cent. The index on the base of 1926 averaged 102.6 against 99.5. The index passed through the line of parity with the base year during July, 1943, the standing in October having been 102.4. The average for the first ten months was greater than in any other similar period since 1925. The reaction resulting in the low point of 63.5 in February 1933 has been fully counterbalanced by the advance during the last twelve years.

The four main classes of chartered bank deposits averaged \$4,573 million during the first ten months of the present year against \$3,900 million in the same period of 1943, the gain having been no less than 17.3 p.c. An upward trend has been shown in bank deposits during the last eleven years but the pace has quickened since the outbreak of hostilities in September, 1939. A new maximum in history was reached during the present year. As bank deposits are the main component in the money supply, the present high level has significance in the operations of the national economy.

The increase in manufacturing production was of moderate proportions, the index recording an advance of less than one per cent. The meat packing industry was particularly active in the first ten months of the present year, the slaughtering of hogs rising from 5.3 million to 7.2 million while cattle moved up from 1.3 million to 1.6 million. Recession was shown in the output of creamery butter, while the increase in cheese production was $9\frac{1}{2}$ p.c.

The output of newsprint showed a slight lead over the same period of last year, the total having been 2,490,000 tons. It is estimated that Canada's lumber production in 1944 will nearly reach an all-time record. The latest estimate was a cut of 4.7 billion board feet amounting to 100 million more than last year.

The release of cigarettes indicating conditions in the tobacco industry showed further increase in 1944. The total was 9,591 million against 9,174 million while a slight gain was shown in the release of cigars. The decline in raw cotton consumption due to the scarcity of labour amounted to 11.5 p.c., the total in the first ten months of 1944 having been 134 million pounds. The output of steel ingots and pig iron continued in heavy volume, minor increases having been shown over the same period of last year. The gain in coke production was 16.8 p.c., the total in the first ten months having been 3.3 million tons.

The volume of construction contracts for the ten months ended October amounted to \$260 million compared with \$180 million during the same period of last year. The gain in contracts was 44.7 p.c. while building permits in fifty-eight municipalities recorded a gain of 58.7 p.c. The consumption of firm power is still showing a slight gain over the same period of 1943, the total in the first ten months having been 29,489 million kilowatt hours.

Retail purchasing in Canada measured by the composite index in twelve lines dealing principally in foods, clothing, and household requirements averaged nearly eight per cent greater than in the corresponding period of last year. The index averaged 161.4 against 149.9. The gain in wholesale sales was more than 11 p.c., the index advancing from 166 to 184.6. The dollar value of sales in Canadian department stores averaged 10 p.c. greater than in the same period of last year.

Our export trade with both Britain and the United States during the first ten months of this year exceeded \$1 billion, the increase in 1943 having been substantial. Shipments of Canadian goods directed to France were increased during October and in the two months during which ports have been open to Canadian cargo vessels, the value of direct exports to that country amounted to \$10.3 million. Commodity exports to Britain in the first ten months of the year reached \$1,055 million compared with \$837 million in the same period of 1943. The gain in total merchandise exports was 20.6 p.c., the total in the first ten months having been \$2,895 million. Imports, on the other hand, showed a moderate advance of $3\frac{1}{2}$ p.c., the total in the period under review having been \$1,490 million. Reduction was shown in the net exports of non-monetary gold from \$121 million to \$93.7 million but the active balance of trade on commodities other than gold rose from \$960 million to \$1,405 million, a gain of no less than 46.4 p.c.

The national income recorded a further advance in October occasioned by considerably greater farm income through grain marketings. The income of the month was tentatively estimated at \$824 million against \$802 million in September. The standing in the same month last year was about \$748 million. The increase in the total for the first ten months was from \$7,171 million to \$7,652 million, the change having been 6.7 p.c.

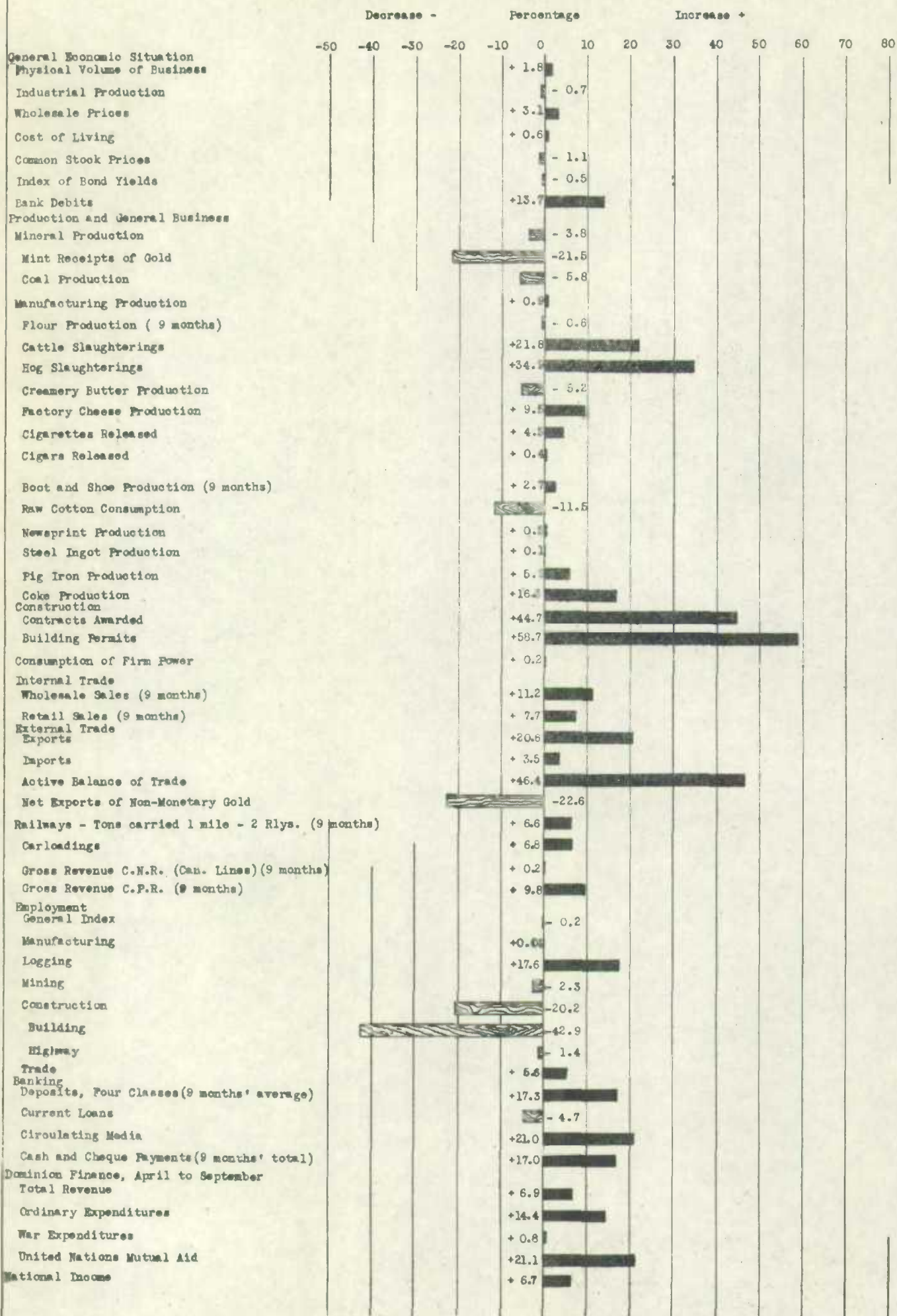
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Minister of Trade and Commerce

THE ECONOMIC SITUATION IN CANADA

for the first Ten Months of 1944

as compared with the same period of last year



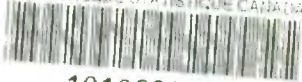
Dominion Bureau of Statistics

Sixteen items recorded declines, while thirty-eight showed increases.

Table 1. Statistics Illustrating the Economic Situation of Canada for the First Ten Months of 1944 compared with the same period of last year.

	Unit or Base Period	First Ten Months		Per Cent Increase + Decrease -
		1944	1943	
General Economic Situation				
Index of Physical Volume of Business	1935-39=100	238.1	233.9	+ 1.8
Index of Industrial Production	1935-39=100	269.2	271.2	- 0.7
Wholesale Prices	1926 = 100	102.6	99.5	+ 3.1
Cost of Living	1935-39=100	118.9	118.2	+ 0.6
Index of Common Stock Prices	1935-39=100	83.3	84.2	- 1.1
Index of Bond Yields	1935-39=100	97.1	97.6	- 0.5
Bank Debits	\$000	48,942,744	43,032,810	+ 13.7
Production and General Business				
Mineral Production				
Gold Receipts at Mint	Fine ozs.	2,412,032	3,074,537	- 21.5
Coal Production	Tons	13,862,645	14,708,732	- 5.8
Manufacturing Production				
Flour Production (9 months)	Bbbs.	17,907,406	18,013,971	- 0.6
Cattle Slaughtering	No.	1,621,614	1,331,219	+ 21.8
Hog Slaughtering	No.	7,170,354	5,315,264	+ 34.9
Creamery Butter Production	Lbs.	269,271,902	284,123,363	- 5.2
Factory Cheese Production	Lbs.	162,768,816	148,657,160	+ 9.5
Cigarettes released	No.	9,590,993,304	9,174,339,079	+ 4.5
Cigars released	No.	162,887,620	162,311,735	+ 0.4
Leather Boots and Shoes (9 months)	Pairs	22,273,138	21,680,170	+ 2.7
Raw cotton consumption	Lbs.	134,074,618	151,496,272	- 11.5
Paper and Lumber -				
Newsprint Production	Tons	2,490,050	2,476,768	+ 0.5
Iron and Steel -				
Steel Ingot Production	Short Ton	2,512,005	2,509,712	+ 0.1
Pig Iron Production	Short Ton	1,566,504	1,478,760	+ 5.9
Coke Production	Short Ton	3,348,771	2,866,167	+ 16.8
Construction -				
Contracts awarded	\$	260,329,600	179,968,100	+ 44.7
Building Permits (58 municipalities)	\$	81,565,489	51,398,313	+ 58.7
Consumption of firm power	000 K.W.H.	29,488,962	29,418,970	+ 0.2
Internal Trade -				
Wholesale Sales (9 months)	1935-39=100	184.6	166.0	+ 11.2
Retail Sales (9 months)	1935-39=100	161.4	149.9	+ 7.7
External Trade -				
Exports	\$000	2,895,476	2,399,976	+ 20.6
Imports	\$000	1,490,065	1,439,894	+ 3.5
Active Balance of Trade	\$000	+ 1,405,411	+ 960,082	+ 46.4
Net Exports of Non-Monetary gold	\$000,000	93.7	121.0	- 22.6
Railways - Tons carried 1 mile -				
(9 months) 2 Rlys.	000,000 tons	44,126	41,388	+ 6.6
Carloadings	No.	3,051,921	2,856,707	+ 6.8
Gross Revenue C.N.R. (Can. Lines)	\$	290,910,100	290,466,500	+ 0.2
Gross Revenue C.P.R. (9 months)	\$	238,954,321	217,582,564	+ 9.8
Employment - Unadjusted				
General Index	1926 = 100	182.7	183.0	- 0.2
Manufacturing		225.3	225.2	+ 0.04
Logging		204.9	174.3	+ 17.6
Mining		155.3	159.0	- 2.3
Construction		103.2	129.4	- 20.2
Building		94.2	165.1	- 42.9
Highway		128.5	130.3	- 1.4
Trade		162.0	152.9	+ 5.6
Banking -				
Deposits four Classes (9 Months' average)	\$000	4,573,140	3,900,240	+ 17.3
Current Loans	\$000	988,716	1,038,009	- 4.7
Circulating Media	\$000,000	894.9	739.4	+ 21.0
Cash & Cheque Payments (9 Months' total)	\$000,000	62,313	53,249	+ 17.0
Dominion Finance - April to October . -				
Total Revenues	\$	1,643,008,570	1,537,344,642	+ 6.9
Ordinary Expenditures	\$	380,903,875	332,886,287	+ 14.4
War Expenditures	\$	1,986,758,556	1,971,634,446	+ 0.8
United Nations Mutual Aid	\$	357,796,481	295,564,813	+ 21.1
National Income (Tentative Computation)	\$000,000	7,652	7,171	+ 6.7

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