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ECONOMIC CONDITIONS IN CANADA DURING THE FIRST ELEVEN MONTHS OF 1945
COMPARED WITH THE SAME PERIOD OF THE PRECEDING YEAR

The major factors indicating the trend of economic conditions were uneven in the first eleven months of 1945 compared with the preceding year. The average of six factors was higher last year than at any other time. The sum of the four classes of bank deposits rose to a new high position in history. The notice and demand deposits were 14.5 per cent greater than in the same period of the preceding year. The levels of 1944, in turn were higher than in any previous year. Dominion bond prices were stronger in 1945. The index of bond yields receded from 97.1 to 95.4 indicating a considerable advance in high grade bond prices. Wholesale prices showed moderate advance in the year just ended. During the first eleven months the index averaged 103.1 against 102.5 in the preceding year, a gain of 0.6 per cent. Wholesale prices have been relatively steady since the later months of 1943. An upward trend was shown from the first quarter of 1933 to the summer of 1943, more than counterbalancing the decline from 1925 to the depth of the depression.

The year was characterized by a marked advance in common stock prices, the index rising 17.7 per cent. The index for the first eleven months of 1944 was 83.6, while for the same period of last year the standing was 98.4. The advance continued until the end of the year, the index standing at 113.3 in the week of December 27. The comparable index for December, 1944 was 86.6

Productive operations showed a declining trend in process since the early months of 1944. The index of the physical volume of business was 9.7 per cent lower in the first eleven months of 1945 than in the same period of the preceding year, the index on the base of 1935-39 averaging 214.3.

The prosperity of Canada in the future depends upon the magnitude of expenditures of different classes. It is anticipated that heavy expenditures will be incurred for construction, a heavy backlog having been established during the war period. Contracts awarded during 1945 amounted to \$409 million against \$292 million in the preceding year. This large volume of work, the greatest of any year since 1930, was contracted for despite difficulty in the supply of building materials and construction labour throughout the year. Materials and skilled labour continued in extremely short supply until the present time. Building permits in 58 municipalities rose 37.4 per cent in the first eleven months to \$123 million against about \$89.5 million in the same period of 1944.

The index of employment in the production of durable goods receded from 144.2 on November 1st, 1944 to 104.6 on the same date of last year. The considerable decline represents a reduction in activity in the heavy industries producing munitions and producers' goods.

The output of steel ingots was relatively well maintained at 2,662,000 short tons against 2,785,000, a decline of 4.4 per cent. The output of pig iron in the first eleven months showed a somewhat lower percentage decline.

An important proportion of Canadian manpower is dependent upon the volume of export trade which is contingent upon the expenditures of people in other countries. Exports during the first eleven months were 5.7 per cent lower than in the same period of the preceding year. The standing in domestic exports during November was \$239 million against \$312 million in the same month of 1944. The war materials were reduced from \$138.6 million to about \$44 million during the same period.

Department store sales in the first eleven months of 1945 were 11 per cent greater than in the same period of the preceding year. The seasonally adjusted index reached an unprecedented peak of 222.9 in November the latest month for which statistics are available. Country store sales recorded an increase of 6.5 per cent over the first eleven months of 1944. The increase in November over the corresponding month of the preceding year was 9 per cent. Retail sales during the first ten months averaged 16.7 per cent greater than in the same period of 1944. The increase in wholesale sales in the same comparison was 8.9 per cent.

Dominion Government ordinary expenditures showed an increase of 51.5 per cent from April to October over the same period of the preceding fiscal year. War expenditures on the other hand receded 39.9 per cent the total in the first seven months of the present fiscal year having been \$1,193 million. The increase in the United Nations Mutual Aid expenditures was 9.4 per cent.

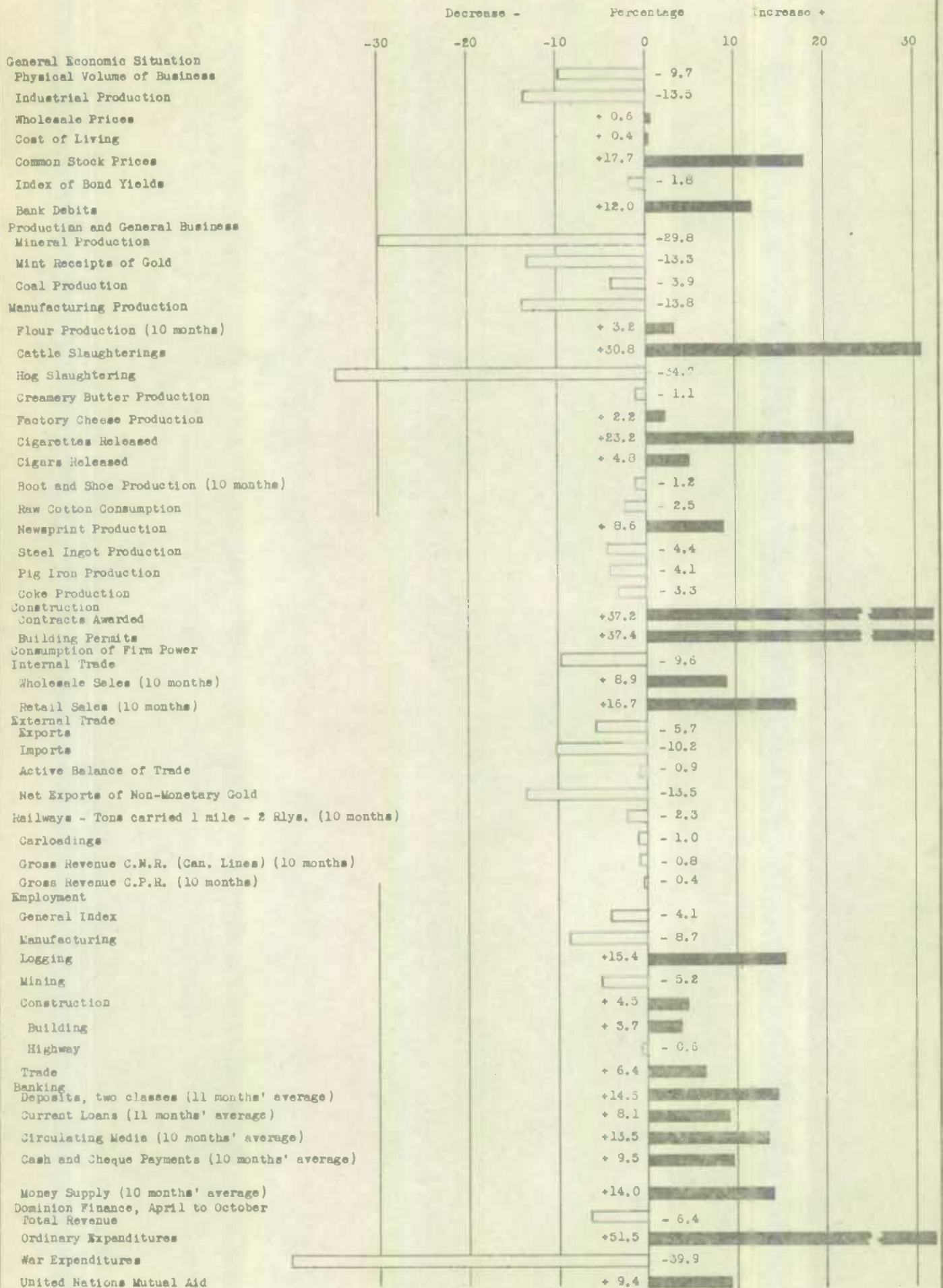
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Minister of Trade and Commerce

THE ECONOMIC SITUATION IN CANADA

for the First Eleven Months of 1945

as compared with the same period of the preceding year.



Dominion Bureau of Statistics

Twenty-nine items recorded declines, while twenty-five showed increases.

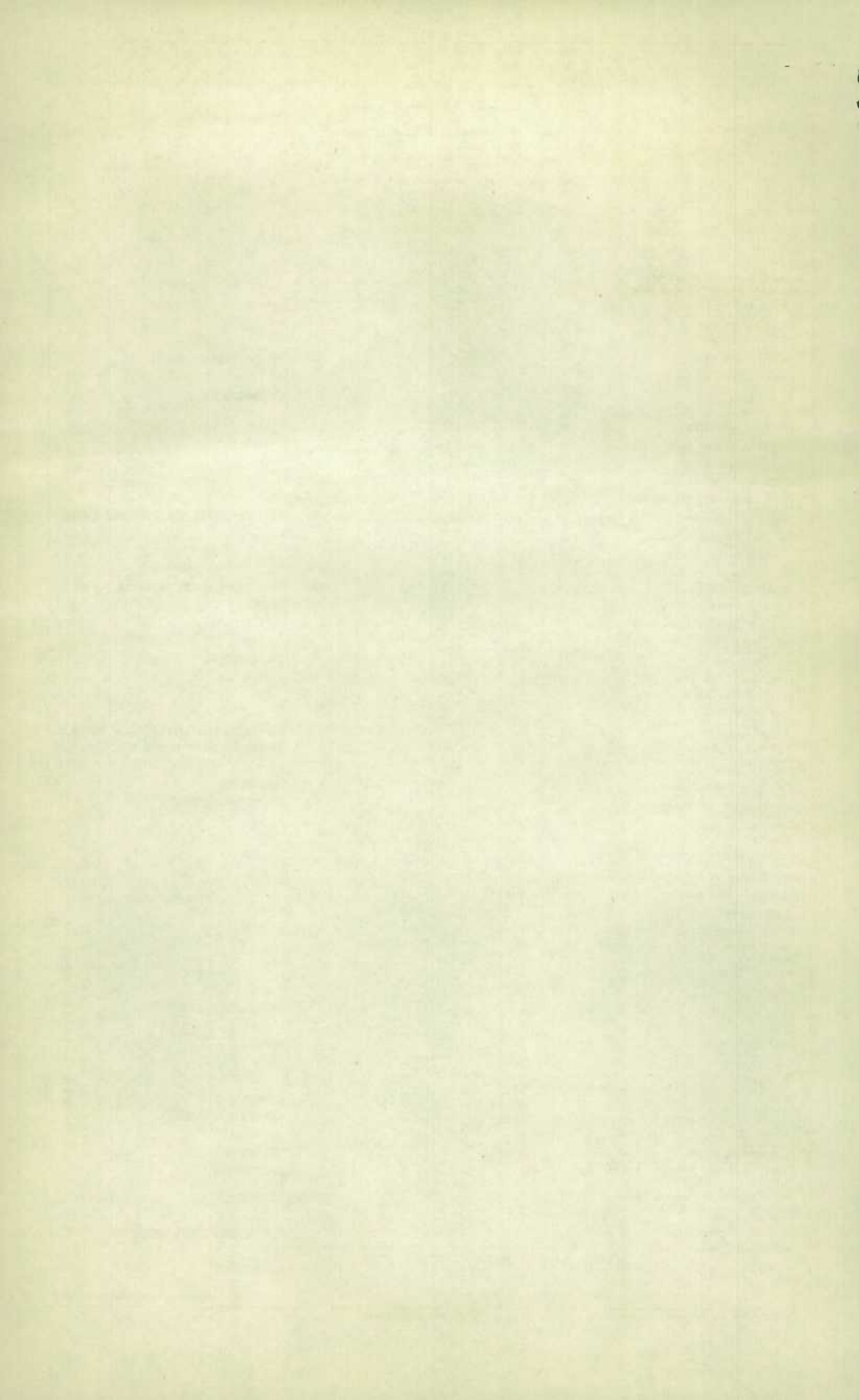


Table 1. - Statistics Illustrating the Economic Situation of Canada for the First Eleven Months of 1945 compared with the same period of last year.

	Unit or Base Period	First Eleven Months		Per. cent
		1945	1944	Increase Decrease -
General Economic Situation				
Index of Physical Volume of Business	1935-39=100	214.3	237.2	- 9.7
Index of Industrial Production	1935-39=100	231.8	268.0	- 13.5
Wholesale Prices	1926=100	103.1	102.5	+ 0.6
Cost of living	1935-39=100	119.4	118.9	+ 0.4
Index of Common Stocks Prices	1935-39=100	98.4	83.6	+ 17.7
Index of Bond Yields	1935-39=100	95.4	97.1	- 1.8
Bank Debits	\$000	62,300,062	55,613,945	+ 12.0
Production and General Business				
Mineral Production	1935-39=	161.2	229.6	- 29.8
Gold Receipts at Mint	Fine oxs.	2,298,226	2,651,599	- 13.3
Coal Production	Tons	14,891,010	15,493,357	- 3.9
Manufacturing Production	1935-39=100	252.6	293.0	- 13.8
Flour Production (10 months)	Bbls.	20,605,150	19,963,946	+ 3.2
Cattle Slaughtering	No.	2,391,205	1,828,021	+ 30.8
Hog Slaughtering	No.	5,224,329	7,998,772	- 34.7
Creamery Butter Production	Lbs.	282,688,449	285,891,011	- 1.1
Factory Cheese Production	Lbs.	177,709,232	173,871,867	+ 2.2
Cigarettes released	No.	13,098,353,322	10,634,607,120	+ 23.2
Cigars released	No.	190,451,642	181,742,560	+ 4.8
Leather Boots and Shoes (10 months)	Pairs	24,477,473	24,773,752	- 1.2
Raw Cotton consumption	Lbs.	144,722,365	148,417,704	- 2.5
Newsprint Production	Tons	2,982,277	2,746,812	+ 8.6
Iron and Steel -				
Steel Ingot Production	Short Ton	2,662,042	2,785,928	- 4.4
Pig Iron Production	Short Ton	1,642,733	1,713,476	- 4.1
Coke Production	Short Ton	3,550,430	3,671,157	- 3.3
Construction -				
Contracts awarded	\$	383,245,900	279,231,800	+37.2
Building Permits (58 municipalities)	\$	122,988,779	89,504,905	+37.4
Consumption of firm power	000 K.W.H.	29,282,020	32,393,416	- 9.6
Internal Trade -				
Wholesale Sales (10 months)	1935-39=100	204.7	188.0	+ 8.9
Retail Sales (10 months)	1935-39=100	177.7	152.3	+16.7
External Trade -				
Exports	\$ 000	3,031,021	3,212,949	- 5.7
Imports	\$ 000	1,464,583	1,631,682	- 10.2
Active Balance of Trade	\$ 000	+ 1,566,438	+ 1,581,267	- 0.9
Net Exports of Non-Monetary Gold	\$000,000	89.8	103.8	- 13.5
Railways - Tons carried 1 mile				
(10 months) 2 Rlys.	000,000 tons	48,224,594	49,368,758	- 2.3
Carloadings	No.	3,352,618	3,386,160	- 1.0
Gross Revenue C.N.R. (Can. Lines) (10 months)	\$	321,663,000	324,178,800	- 0.8
Gross Revenue C.P.R. (10 months)	\$	266,371,782	267,402,229	- 0.4
Employment - Unadjusted -				
General Index	1926-100	175.3	182.8	- 4.1
Manufacturing		205.4	224.9	- 8.7
Logging		240.1	208.0	- 15.4
Mining		146.7	154.8	- 5.2
Construction		108.8	104.1	+ 4.5
Building		98.5	95.0	+ 3.7
Highway		129.1	129.9	- 0.6
Trade		173.2	162.8	+ 6.4
Banking -				
Deposits (Notice and Demand)				
(11 Months' Average)	\$000	4,718,995	4,122,828	+14.5
Current Loans (11 Months' Average)	\$000	1,088,987	1,007,566	+ 8.1
Circulating Media (10 Months' Average)	\$000,000	1,024.9	902.6	+13.5
Cash and Cheque Payments (10 months' total)	\$000,000	75,952	69,381	+ 9.5
Money Supply (10 months' average)	\$000,000	6,371	5,588	+14.0
Dominion Finance - April to Oct. -				
Total Revenues	\$	1,539,977,647	1,645,335,949	- 6.4
Ordinary Expenditures	\$	577,365,738	381,061,345	+51.5
War Expenditures	\$	1,192,809,861	1,985,047,274	- 39.9
United Nations Mutual Aid	\$	719,157,645	657,302,557 _x	+9.4

Twenty-nine items recorded declines, while twenty-five showed increases.

x Includes temporary advances totalling \$298,764,859 made to Mutual Aid Board.



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Year	Value	Year	Value	Year	Value
1960	1,000,000	1961	1,050,000	1962	1,100,000
1963	1,150,000	1964	1,200,000	1965	1,250,000
1966	1,300,000	1967	1,350,000	1968	1,400,000
1969	1,450,000	1970	1,500,000	1971	1,550,000
1972	1,600,000	1973	1,650,000	1974	1,700,000
1975	1,750,000	1976	1,800,000	1977	1,850,000
1978	1,900,000	1979	1,950,000	1980	2,000,000
1981	2,050,000	1982	2,100,000	1983	2,150,000
1984	2,200,000	1985	2,250,000	1986	2,300,000
1987	2,350,000	1988	2,400,000	1989	2,450,000
1990	2,500,000	1991	2,550,000	1992	2,600,000
1993	2,650,000	1994	2,700,000	1995	2,750,000
1996	2,800,000	1997	2,850,000	1998	2,900,000
1999	2,950,000	2000	3,000,000	2001	3,050,000
2002	3,100,000	2003	3,150,000	2004	3,200,000
2005	3,250,000	2006	3,300,000	2007	3,350,000
2008	3,400,000	2009	3,450,000	2010	3,500,000
2011	3,550,000	2012	3,600,000	2013	3,650,000
2014	3,700,000	2015	3,750,000	2016	3,800,000
2017	3,850,000	2018	3,900,000	2019	3,950,000
2020	4,000,000	2021	4,050,000	2022	4,100,000