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ECONOMIC CONDITIONS IN CANADA DURING THE FIRST TWO MONTHS COMPARED WITH
SAME MONTHS OF 1944.

An advance was shown in the average of six major factors indicating the trend of economic conditions in the first two months of 1945 over the same period of last year. A determining factor was the marked increase in the deposit liabilities of the chartered banks. The standing for the sum of the four main classes was \$5,035 million in the first two months of the present year, against \$4,245 million in the same period of 1944, a gain of no less than 18.6 p.c. Bank deposits have shown a marked increase since the outbreak of hostilities, the upward trend having been continued during the last twelve months. The maximum in business operations was reached during the early part of 1944. A declining trend has since been in evidence. The index of the physical volume of business averaged 222.7 in the first two months of the present year against 244.3, a decline of 8.8 p.c. The downward trend was continued in February, the latest month for which statistics are available.

The changes in wholesale prices and in prices of high grade bonds were of minor proportions. The index of wholesale prices showed a slight increase as compared with the first two months of last year. As the index of bond yields receded from 97.3 to 96.6, it is evident that bond prices of this description averaged slightly higher in the early months of the present year. Speculative factors, including common stock prices and the volume of trading on the stock exchanges, reached a higher position in the first two months of the present year. The index of common stock prices rose 11.5 p.c. in this comparison while speculative trading was at a higher level than at any other time since 1939.

Livestock marketings, as measured by sales in stock yards, rose 15.5 p.c. in the first two months, a marked increase having been shown in the marketings of cattle. Hog sales were slightly greater in January than in the same month of last year, but a considerable decline was shown in February. Deliveries of grain to country elevators in the Prairie Provinces were slightly greater in January this year while a considerable decline was shown in the second month of the year. Wheat receipts in February were 12.8 million bushels against 26.5 million in the same month last year.

The shortage of labor was a handicap to the mining industry in the early months of 1945. The index of production dropped 36 p.c. to 160.9. Gold receipts at the Mint were about 11 p.c. less than in the first two months of last year. Coal production, on the other hand, showed an increase of nearly 3 p.c.

Owing mainly to the reduction in war contracts, the index of manufacturing production receded 10.5 p.c. to 272.1. The standing in the first two months of 1944 was 304.0. The trend of the main components indicating activity in manufacturing plants was uneven in the first three months of the year, declines being predominant.

The output of newsprint showed moderate betterment, the total having been 504,427 short tons. As the production in the first two months of 1944 was 482,663 short tons, an increase of 4.5 p.c. was indicated.

The output of steel ingots showed an increase of 10 p.c. while the production of pig iron was 11.5 p.c. greater. The consumption of firm power, a barometric indicator of considerable significance, receded 13.4 p.c. The consumption was 5,332 million kilowatt hours compared with 6,157 million in the same period of last year.

The total revenues of the Dominion Government during the eleven months from April to February was \$2,321 million, a decline of 6 p.c. from the same period of the previous year. Ordinary expenditures showed an increase of 19.5 p.c. in the same comparison, the total having been \$630 million. War expenditures, on the other hand, showed a decline of 10 p.c., the total in the first eleven months of the present fiscal year having been \$2,940 million. The United Nations Mutual Aid showed an increase of 1.4 p.c. to \$682 million.

The national income computed on a tentative basis showed a decline of slightly more than 2 p.c. in the first two months of the present year. The total was \$1,444 million against \$1,475 million in the first two months of 1944. The standing in February was \$707.6 million against \$733.2 million in the same month of last year. The national income in the first month of the present year was \$736,623,000 against \$736,562,000 in the same month of 1944.

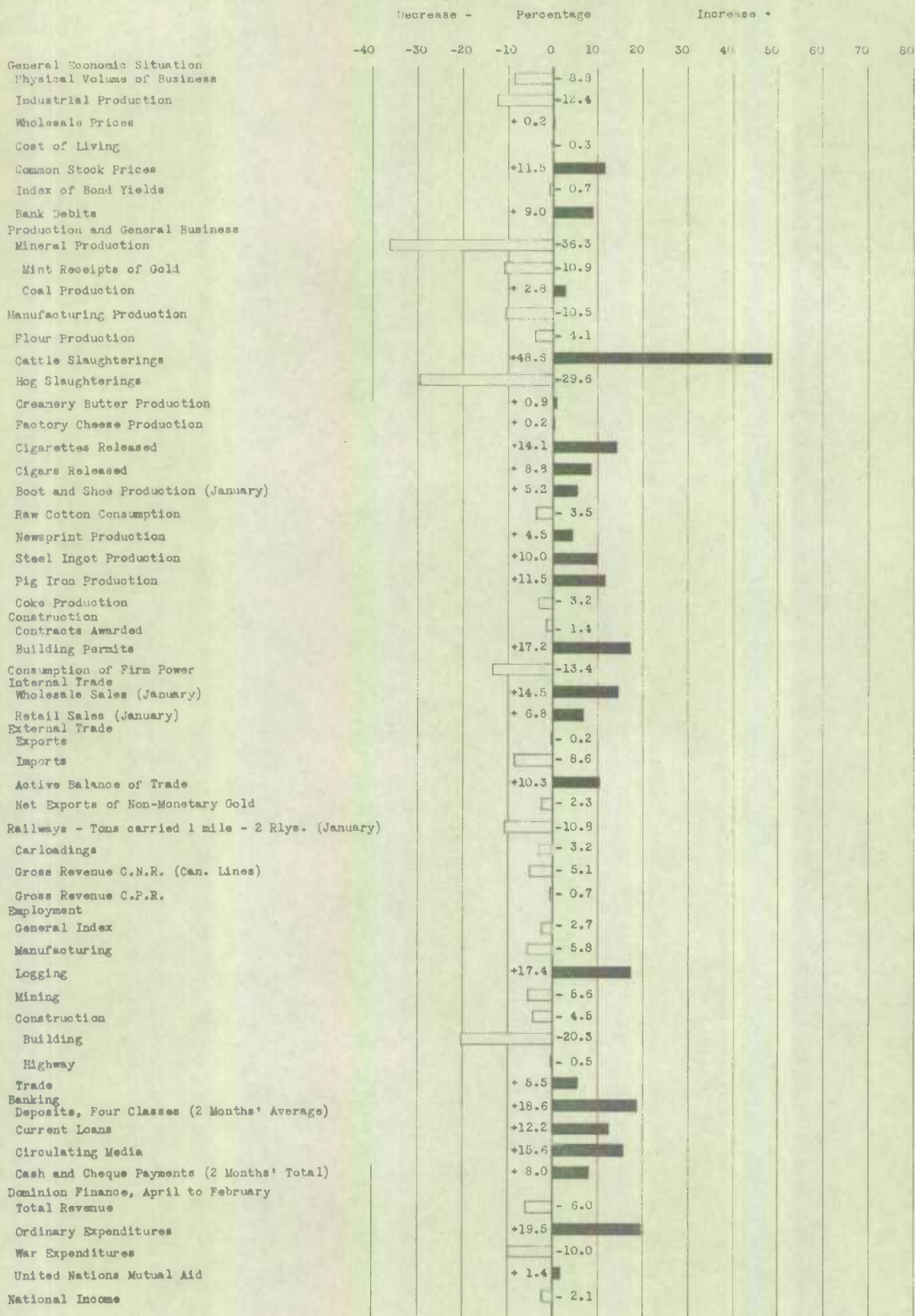
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THE ECONOMIC SITUATION IN CANADA

for the first two months of 1945

as compared with the same period of last year.



Dominion Bureau of Statistics.

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

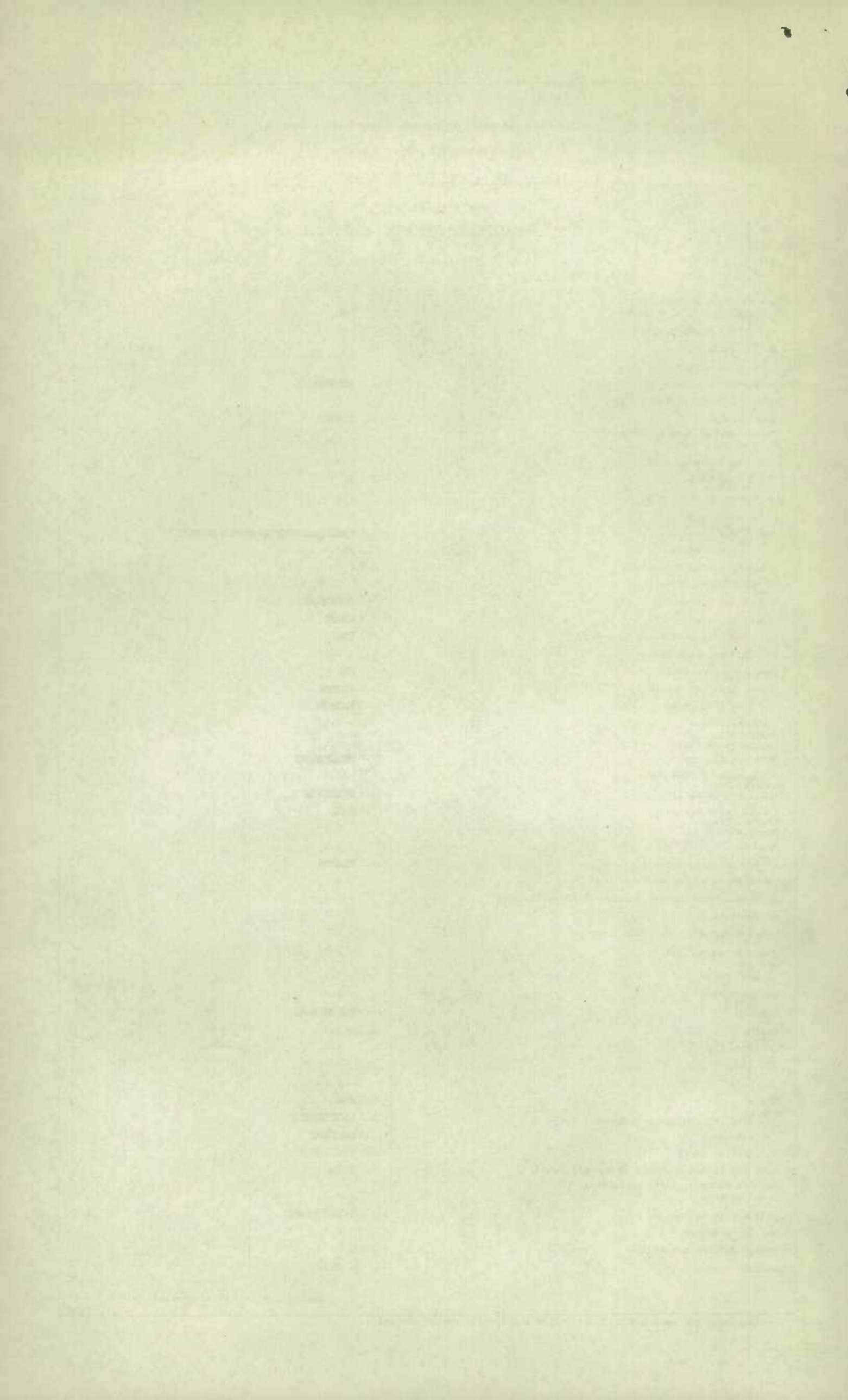


Table 1. Statistics Illustrating the Economic Situation of Canada for the First Two Months of 1945 compared with the same period of last year.

	Unit or Base Period	First Two Months		Per Cent Increase + Decrease -
		1945	1944	
<u>General Economic Situation</u>				
Index of Physical Volume of Business	1935-39=100	222.7	244.3	- 8.8
Index of Industrial Production	1935-39=100	243.0	277.5	- 12.4
Wholesale Prices	1926 = 100	102.8	102.6	+ 0.2
Cost of Living	1935-39=100	118.6	118.9	- 0.3
Index of Common Stock Prices	1935-39=100	91.1	81.7	+ 11.5
Index of Bond Yields	1935-39=100	96.6	97.3	- 0.7
Bank Debits	\$000	9,503,505	8,720,506	+ 9.0
<u>Production and General Business</u>				
Mineral Production	1935-39=100	160.9	252.6	- 36.3
Gold Receipts at Mint	Fine ozs.	441,017	495,160	- 10.9
Coal Production	Tons	3,179,441	3,091,777	+ 2.8
Manufacturing Production	1935-39=100	272.1	304.0	- 10.5
Flour Production	Ebbs.	3,960,667	4,128,898	- 4.1
Cattle Slaughtering	No.	355,403	239,126	+ 48.6
Hog Slaughtering	No.	1,319,164	1,874,977	- 29.6
Creamery Butter Production	Lbs.	22,024,982	21,825,987	+ 0.9
Factory Cheese Production	Lbs.	4,489,031	4,481,514	+ 0.2
Cigarettes released	No.	2,249,747,721	1,972,370,107	+ 14.1
Cigars released	No.	34,713,306	31,900,098	+ 8.8
Leather Boots and Shoes (January)	Pairs	2,410,060	2,291,098	+ 5.2
Raw cotton consumption	Lbs.	26,671,679	27,635,080	- 3.5
Paper and Lumber -				
Newsprint Production	Tons	504,427	482,663	+ 4.5
Iron and Steel -				
Steel Ingot Production	Short Ton	519,186	472,038	+ 10.0
Pig Iron Production	Short Ton	305,456	274,006	+ 11.5
Coke Production	Short Ton	655,075	676,900	- 3.2
Construction				
Contracts awarded	\$	24,654,400	25,011,900	- 1.4
Building Permits (58 municipalities)	\$	9,785,201	8,349,078	+ 17.2
Consumption of firm power	000 K.W.H.	5,331,968	6,156,707	- 13.4
Internal Trade -				
Wholesale Sales (January)	1935-39=100	182.6	159.5	+ 14.5
Retail Sales (January)	1935-39=100	143.1	134.0	+ 6.8
External Trade -				
Exports	\$000	474,224	475,257	- 0.2
Imports	\$000	242,058	264,739	- 8.6
Active Balance of Trade	\$000	+232,166	+ 210,518	+ 10.3
Net Exports of Non-Monetary Gold	\$000,000	17.1	17.5	- 2.3
Railways - Tons carried 1 mile -				
(January) 2 Rlys.	000,000 tons	4,274	4,790	- 10.8
Carloadings	No.	543,258	560,462	- 3.2
Gross Revenue C.N.R. (Can. Lines)	\$	55,635,400	58,627,700	- 5.1
Gross Revenue C.P.R.	\$	47,570,425	47,932,383	- 0.7
Employment - Unadjusted				
General Index	1926 = 100	179.6	184.5	- 2.7
Manufacturing		213.8	226.9	- 5.8
Logging		312.6	266.3	+ 17.4
Mining		148.9	157.8	- 5.6
Construction		94.0	98.4	- 4.5
Building		85.2	106.9	- 20.3
Highway		102.8	103.3	- 0.5
Trade		175.1	166.0	+ 5.5
Banking -				
Deposits four Classes (2 Months' average)	\$000	3,955,129	4,244,590	+ 18.6
Current Loans	\$000	1,117,430	996,316	+ 12.2
Circulating Media	\$000,000	976.8	845.2	+ 15.6
Cash and Cheque Payments (2 Months' Total)	\$000,000	13,343	12,349	+ 8.0
Dominion Finance - April to February -				
Total Revenues	\$	2,320,527,935	2,499,389,954	- 6.0
Ordinary Expenditures	\$	630,462,745	527,763,164	+ 19.5
War Expenditures	\$	2,939,552,425	3,267,069,981	- 10.0
United Nations Mutual Aid	\$	682,135,058	672,771,018	+ 1.4
National Income (Tentative Computation)	\$000,000	1,444	1,475	- 2.1

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



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Year	Value	Value	Value	Description
1960	100,000	100,000	100,000	...
1961	100,000	100,000	100,000	...
1962	100,000	100,000	100,000	...
1963	100,000	100,000	100,000	...
1964	100,000	100,000	100,000	...
1965	100,000	100,000	100,000	...
1966	100,000	100,000	100,000	...
1967	100,000	100,000	100,000	...
1968	100,000	100,000	100,000	...
1969	100,000	100,000	100,000	...
1970	100,000	100,000	100,000	...
1971	100,000	100,000	100,000	...
1972	100,000	100,000	100,000	...
1973	100,000	100,000	100,000	...
1974	100,000	100,000	100,000	...
1975	100,000	100,000	100,000	...
1976	100,000	100,000	100,000	...
1977	100,000	100,000	100,000	...
1978	100,000	100,000	100,000	...
1979	100,000	100,000	100,000	...
1980	100,000	100,000	100,000	...
1981	100,000	100,000	100,000	...
1982	100,000	100,000	100,000	...
1983	100,000	100,000	100,000	...
1984	100,000	100,000	100,000	...
1985	100,000	100,000	100,000	...
1986	100,000	100,000	100,000	...
1987	100,000	100,000	100,000	...
1988	100,000	100,000	100,000	...
1989	100,000	100,000	100,000	...
1990	100,000	100,000	100,000	...
1991	100,000	100,000	100,000	...
1992	100,000	100,000	100,000	...
1993	100,000	100,000	100,000	...
1994	100,000	100,000	100,000	...
1995	100,000	100,000	100,000	...
1996	100,000	100,000	100,000	...
1997	100,000	100,000	100,000	...
1998	100,000	100,000	100,000	...
1999	100,000	100,000	100,000	...
2000	100,000	100,000	100,000	...
2001	100,000	100,000	100,000	...
2002	100,000	100,000	100,000	...
2003	100,000	100,000	100,000	...
2004	100,000	100,000	100,000	...
2005	100,000	100,000	100,000	...
2006	100,000	100,000	100,000	...
2007	100,000	100,000	100,000	...
2008	100,000	100,000	100,000	...
2009	100,000	100,000	100,000	...
2010	100,000	100,000	100,000	...
2011	100,000	100,000	100,000	...
2012	100,000	100,000	100,000	...
2013	100,000	100,000	100,000	...
2014	100,000	100,000	100,000	...
2015	100,000	100,000	100,000	...
2016	100,000	100,000	100,000	...
2017	100,000	100,000	100,000	...
2018	100,000	100,000	100,000	...
2019	100,000	100,000	100,000	...
2020	100,000	100,000	100,000	...
2021	100,000	100,000	100,000	...
2022	100,000	100,000	100,000	...