

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

The main factors indicating the trend of economic conditions were uneven in the first nine months of 1945 as compared with the same period of the preceding year. An advance of 16.6 p.c. was shown in the index of common stock prices and speculative trading was at a higher level. The advance in commodity and bond prices was of minor proportions. The index of wholesale prices on the base of 1926 averaged 103.2 in the first nine months against 102.6 in the same period of last year. The price of high-grade bonds was slightly higher as indicated by a decline in yields. Productive operations receded to lower levels, the index of the physical volume of business dropping 20 points to 219.2. The decline amounted to 8.4 per cent.

The level of production in Canada is dependent upon expenditures of different descriptions. New business obtained by the construction industry rose nearly 32 per cent to \$309 million and building permits in 58 municipalities were more than 31 per cent greater. The total in the first nine months of the present year was \$95.5 million. The operations of the primary iron and steel industry indicative of the production of munitions and producers durable goods were about maintained in the first nine months. The output of steel ingots was 2,248,000 tons against 2,236,000 tons, an increase of  $\frac{1}{2}$  per cent. The production of pig iron, on the other hand, showed a decline from 1,412 thousand tons to 1,367 thousand. The index of employment on September 1 last in manufacturing plants producing durable goods was 122.1 against 150.5 on the same date last year. The index of the number employed in manufacturing plants producing non-durable goods also declined from 120.5 to 114.7, but the drop was of lesser proportions than in durable goods. The index of retail sales during the 8 months of the present year rose 8.4 per cent over the standing in the same period of 1944. The index was 172.5 against 159.1 in the same period last year. The percentage increase in wholesale sales was even greater, having been 10.9 per cent rather than 8.4 per cent. The index was 198.8 against 182.2, on the base year of 1935-39.

The ordinary expenditures of the Dominion Government during the first half of the present fiscal year covering April to September recorded a gain of more than 45 per cent. The total was \$477.6 million against \$329.1 million in the same period of 1944. War expenditures, exclusive of Mutual Aid, receded from \$1,628 million to \$1,023 million, a decline of 37 per cent. An increase, on the other hand was shown in Mutual Aid payments.

The purchasing power in the hands of the public continued at high levels in the first nine months of the present year. The firms reporting in the latest survey of payrolls intimated the disbursement of weekly salaries and wages aggregating \$56.5 million as compared with \$57.5 million at the beginning of August. This was a decline of 1.6 per cent slightly exceeding the general loss of 1.3 per cent in the personnel, with the result that the per capita weekly earnings declined, falling from \$32.09 at August 1 to \$32.04 at September 1. At the beginning of September in earlier years for which information is available, the averages were as follows: 1944, \$31.69; 1943, \$31.30; 1942, \$29.29; 1941, \$26.04. During the last twelve months, the reduction of 7 per cent in employment in the eight leading industrial groups has been accompanied by that of 5.9 p.c. in the amounts paid in weekly salaries and wages. The index of employment was 172.6 on September 1 against 185.5 on the same date of last year. The index in the latest available month was less than on the same date in every year since 1941. The cancellation of orders for munitions produced the anticipated large contraction in certain branches of manufacturing. The general trend in the remaining manufacturing groups and in the non-manufacturing industries was favourable, but the increase in the numbers employed on such locations fell far short of the declines reported for factories formerly engaged largely on war work. The general index of employment averaged 176.5 during the first nine months of the present year against 182.6 in the same period of 1944, a decline of 3.3 per cent. Declines were shown in manufacturing and mining, while advances were recorded in logging, construction and trade.

The interest on the public debt during the first six months of the present fiscal year was \$172.9 million against \$134.5 million in the same period of last year. According to an unofficial computation, dividends paid during the first ten months of 1945 were \$219.9 million against \$215.3 million in the same period of last year, a gain of 2.1 per cent.

The decline in the index of the physical volume of business was mainly occasioned by the drop in mineral and manufacturing production. The consumption of firm power also showed a decline from 26.5 billion k.w.h. to 24.1, representing a loss of 9.1 per cent. Minor recessions were also shown in railway traffic. Tons carried one mile by the two main railways during the first 8 months showed a decline of 1.8 p.c., while carloadings were 1.3 per cent lower in the nine month comparison.

RECORD OF THE BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR, FROM 1849 TO 1900

The Bureau of Land Management was established in 1849 as the United States Land Office. It was the first of the major departments of the Department of the Interior. The Bureau's primary responsibility was to manage the public lands of the United States. Over the years, the Bureau's jurisdiction expanded to include the management of the nation's forests, parks, and other natural resources. The Bureau's work has been instrumental in the development of the United States as a nation.

The Bureau's early years were marked by a period of rapid expansion. The discovery of gold in California in 1848 led to a massive influx of settlers to the West. The Bureau was responsible for managing the public lands in this region, and its work was crucial in the development of the West. The Bureau's jurisdiction expanded to include the management of the nation's forests, parks, and other natural resources. The Bureau's work has been instrumental in the development of the United States as a nation.

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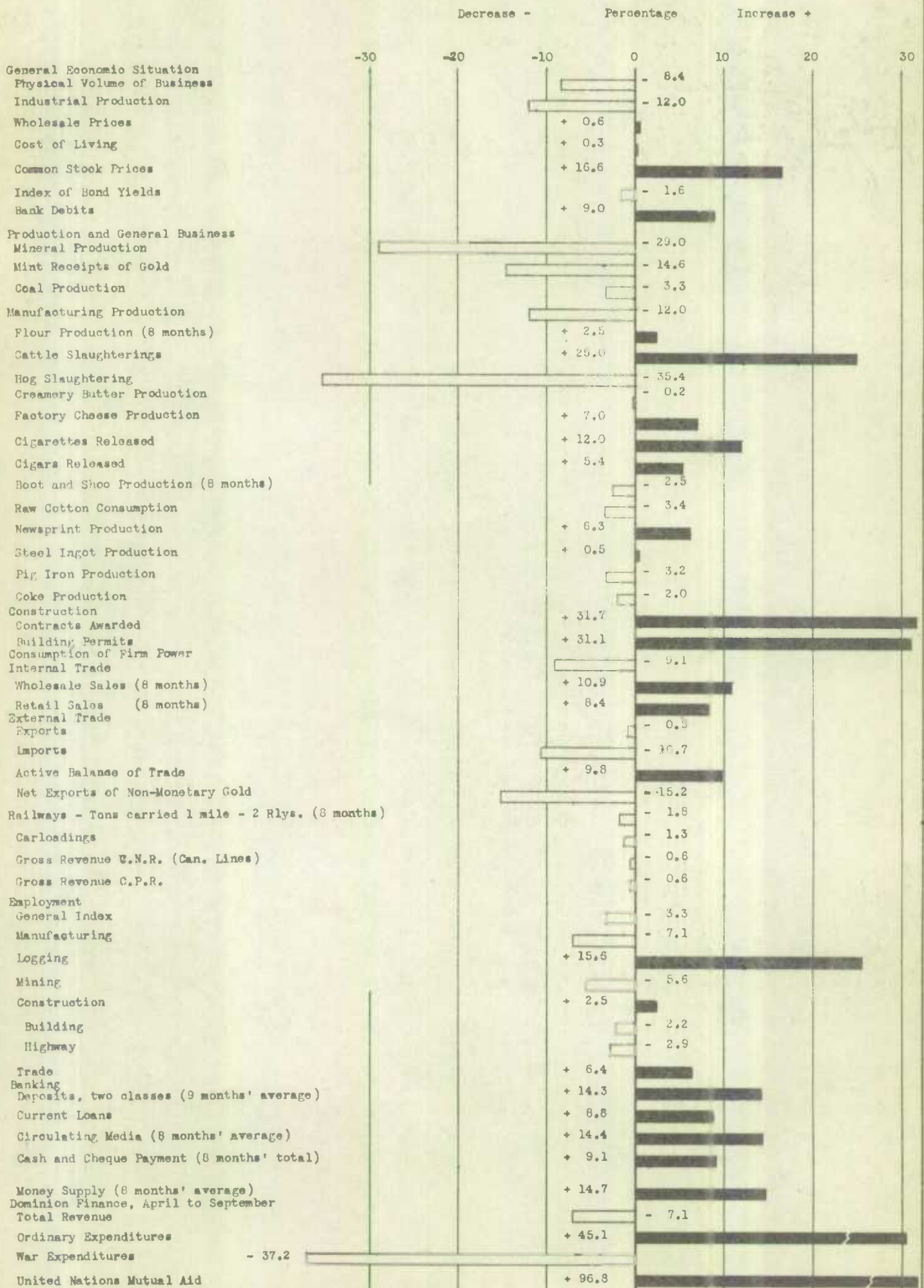
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Minister of Trade and Commerce

THE ECONOMIC SITUATION IN CANADA

for the First Nine Months of 1945

as compared with the same period of last year.



Dominion Bureau of Statistics

Twenty-eight items recorded declines, while twenty-six showed increases.

Year	Month	Day	Time	Latitude	Longitude	Wind	Sea	Temperature	Barometer	Remarks
1857	Jan	1	0600	30° 30' N	156° 00' W	Light Breeze	Smooth	55.0	30.0	Clear
1857	Jan	1	0900	30° 30' N	156° 00' W	Light Breeze	Smooth	55.0	30.0	Clear
1857	Jan	1	1200	30° 30' N	156° 00' W	Light Breeze	Smooth	55.0	30.0	Clear
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1857	Jan	1	1800	30° 30' N	156° 00' W	Light Breeze	Smooth	55.0	30.0	Clear
1857	Jan	1	2100	30° 30' N	156° 00' W	Light Breeze	Smooth	55.0	30.0	Clear
1857	Jan	2	0600	30° 30' N	156° 00' W	Light Breeze	Smooth	55.0	30.0	Clear
1857	Jan	2	0900	30° 30' N	156° 00' W	Light Breeze	Smooth	55.0	30.0	Clear
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1857	Jan	3	0600	30° 30' N	156° 00' W	Light Breeze	Smooth	55.0	30.0	Clear
1857	Jan	3	0900	30° 30' N	156° 00' W	Light Breeze	Smooth	55.0	30.0	Clear
1857	Jan	3	1200	30° 30' N	156° 00' W	Light Breeze	Smooth	55.0	30.0	Clear
1857	Jan	3	1500	30° 30' N	156° 00' W	Light Breeze	Smooth	55.0	30.0	Clear
1857	Jan	3	1800	30° 30' N	156° 00' W	Light Breeze	Smooth	55.0	30.0	Clear
1857	Jan	3	2100	30° 30' N	156° 00' W	Light Breeze	Smooth	55.0	30.0	Clear



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

	Unit or Base Period	First Nine Months		Per cent Increase + Decrease -
		1945	1944	
<b>General Economic Situation</b>				
Index of Physical Volume of Business	1935-39=100	219.2	239.2	- 8.4
Index of Industrial Production	1935-39=100	237.9	270.3	- 12.0
Wholesale Prices	1926= 100	103.2	102.6	+ 0.6
Cost of Living	1935-39=100	119.3	119.0	+ 0.3
Index of Common Stock Prices	1935-39=100	96.8	83.0	+ 16.6
Index of Bond Yields	1935-39=100	95.6	97.2	- 1.6
Bank Debits	\$ 000	47,970,222	44,010,865	+ 9.0
<b>Production and General Business</b>				
<b>Mineral Production</b>				
Gold Receipts at Mint	Fine ozs.	1,869,917	2,189,490	- 14.6
Coal Production	Tons	11,928,571	12,330,350	- 3.3
<b>Manufacturing Production</b>				
Flour Production (8 months)	Bbls.	16,332,138	15,934,785	+ 2.5
Cattle Slaughtering	No.	1,796,514	1,436,850	+ 25.0
Hog Slaughtering	No.	4,241,888	6,561,282	- 35.4
Creamery Butter Production	Lbs.	244,308,752	244,696,059	- 0.2
Factory Cheese Production	Lbs.	153,228,869	143,167,310	+ 7.0
Cigarettes released	No.	10,280,945,533	8,573,080,989	+ 12.0
Cigars released	No.	152,609,342	144,755,044	+ 5.4
Leather Boots and Shoes (8 months)	Pairs	19,373,388	19,872,913	- 2.5
Raw Cotton consumption	Lbs.	116,657,916	120,759,767	- 3.4
<b>Paper and Lumber -</b>				
Newsprint Production	Tons	2,372,144	2,231,749	+ 6.3
<b>Iron and Steel -</b>				
Steel Ingot Production	Short Ton	2,248,215	2,236,481	+ 0.5
Pig Iron Production	Short Ton	1,367,389	1,412,385	- 3.2
Coke Production	Short Ton	2,956,263	3,017,915	- 2.0
<b>Construction -</b>				
Contracts awarded	\$	308,820,900	234,404,200	+ 31.7
Building Permits (58 municipalities)	\$	95,485,875	72,844,652	+ 31.1
Consumption of firm power	000 K.W.H.	24,091,587	26,493,583	- 9.1
<b>Internal Trade -</b>				
Wholesale Sales (8 months)	1935-39=100	198.8	182.2	+ 10.9
Retail Sales (8 months)	1935-39=100	172.5	159.1	+ 8.4
<b>External Trade -</b>				
Exports	\$ 000	2,556,867	2,577,027	- 0.8
Imports	\$ 000	1,187,769	1,330,014	- 10.7
Active Balance of Trade	\$ 000	+ 1,369,098	+ 1,247,013	+ 9.8
Net Exports of Non-Monetary Gold	\$000,000	72.3	85.3	- 15.2
<b>Railways - Tons carried 1 mile</b>				
(8 months) 2 Rlys.	000,000 tons	38,359	39,081	- 1.8
Carloadings	No.	2,686,426	2,721,708	- 1.3
Gross Revenue C.N.R. (Can. Lines)	\$	289,261,200	290,910,100	- 0.6
Gross Revenue C.P.R.	\$	237,591,710	238,954,321	- 0.6
<b>Employment - Unadjusted -</b>				
General Index	1926=100	176.5	182.6	- 3.3
Manufacturing		209.4	225.4	- 7.1
Logging		239.9	207.5	+ 15.6
Mining		147.1	155.9	- 5.6
Construction		104.5	102.0	+ 2.5
Building		91.4	93.5	- 2.2
Highway		122.6	126.2	- 2.9
Trade		171.9	161.6	+ 6.4
<b>Banking -</b>				
Deposits (Notice and Demand)				
(9 Months' average)	\$000	4,639,753	4,058,360	+ 14.3
Current Loans	\$000	1,076,209	988,716	+ 8.8
Circulating Media (8 Mos. av.)	\$000,000	1,013.6	885.9	+ 14.4
Cash and Cheque Payments (8 months' Total)	\$000,000	60,444	55,412	+ 9.1
Money Supply (8 months' average)	\$000,000	6,322	5,511	+ 14.7
<b>Dominion Finance - April to Sept. -</b>				
Total Revenues	\$	1,293,680,125	1,392,261,558	- 7.1
Ordinary Expenditures	\$	477,553,771	329,126,560	+ 45.1
War Expenditures	\$	1,022,692,967	1,628,302,564	- 37.2
United Nations Mutual Aid	\$	688,837,186	350,074,139x	+ 96.8

Twenty - eight items recorded declines, while twenty-six showed increases.

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



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