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ECONOMIC CONDITIONS IN CANADA DURING THE FIRST ELEVEN MONTHS OF 1942,  
COMPARED WITH THE SAME PERIOD OF THE PRECEDING YEAR

The impact of the war was the occasion of marked expansion in economic activity in Canada during 1942. Productive operations and the deposit liabilities of the banks rose to new high levels in history. The advance in wholesale prices and bond prices were of a moderate character. Commodity prices, however, averaged higher than in any other time since 1929. High-grade bond prices were relatively stable averaging higher than at any other time since the first half of 1939. Each of the four factors were above the inter-war trend. While common stock prices and speculative trading were at a low level in 1942, advances were recorded in the last quarter.

Averaged for the first eleven months, the index of the physical volume of business was 23 p.c. higher in 1942 than in the preceding year. The index of prices recorded a standing of 95.6 against 89.5, a gain of 6.8 p.c. The increase in four classes of bank deposits was 9.4 p.c., the advance having been from \$3,019 million to \$3,303 million. The index of common stock prices was 63.5 against 67.5, a decline of 4 points or nearly 6 p.c.

Owing mainly to the expansion in war production, the index of manufacturing operations advanced from 172 to nearly 240, a gain of 39 p.c. The output of factory cheese was 196.3 million pounds against 141.3 million. The release of cigarettes rose from 7,862 million to 9,278 million. The primary iron and steel industry made further advances over the high level of 1941. Steel ingot production was 2,854,000 short tons against 2,456,000. Owing to the shortage of scrap material, the production of pig iron rose sharply from 1,362,000 to 1,811,000 tons.

Declines were shown in the new business obtained by the construction industry, contracts showing a reduction of 27.4 p.c., while building permits in 58 municipalities were 26.7 p.c. lower. The consumption of firm power as produced by the central electric stations was 29,487 million k.w.h. against 25,032 million, a gain of 17.8 p.c. Retail sales recorded a gain of 15 p.c. according to the indexes available for the first ten months of the year. The increase in wholesale sales was 10.3 p.c.

Railway traffic recorded a considerable expansion over the high level of 1941. The number of tons carried one mile on the two principal railways during the first ten months recorded a gain of 10.6 p.c. Carloadings numbered 3,114,000, amounting to a gain of nearly 6 p.c. The gross revenues in the first ten months showed an increase of 26.7 p.c. on the Canadian National and 17.2 p.c. on the Canadian Pacific.

Drawing upon our experience with the aftermath of the last world war, we should be able to visualize more clearly the role that Canada may play in the rehabilitation of world trade. The structure of the Canadian economy is such that any important interruption in the flow of trade across our borders would deal us a serious blow. A realistic attempt at economic co-operation between the United Nations is envisaged as the only sound basis for any durable political settlement.

While the war and consequent shipping difficulties have disrupted the normal channels of trade, the retention of commercial relationships with other countries is highly desirable. The rebuilding of our export trade after the war will be a major factor in any scheme of reconstruction.

The close relationship established in wartime by the interchange of war supplies with the United States will provide experience for the better integration of Canadian and American industrial enterprise. It is hoped that the careful adjustment of tariffs and proper planning for the conversion of wartime industrial plant will be beneficial to both nations. The varied nature of the countries in the British Commonwealth ensures a revival of trade based on the fundamental principle of comparative advantage.

Many of the products of South America are complementary to those of this country. Consequently with the termination of the present shipping difficulties, there will be a sound basis for extensive trade development. The new trade agreements signed last spring with Chile, Colombia, Peru and Ecuador will lead under more propitious circumstances to an accelerated movement of trade with South American Countries.

Marked changes characterized the external trade of Canada during the year just ended. The major portion of the munitions and war supplies produced in Canada were shipped to the battle fronts upon which the United Nations are doggedly defending their freedom.

REPORT ON THE PROGRESS OF RESEARCH  
DURING THE YEAR 1954

The work of the laboratory during the year 1954 has been devoted to the study of the properties of the liquid phase of the binary system of carbon dioxide and ethane. The experimental work has been carried out in the laboratory of physical chemistry, and the results have been reported in the following papers:

1. J. H. D'Amico and J. H. D'Amico, *J. Chem. Phys.*, **21**, 1000 (1953).

2. J. H. D'Amico and J. H. D'Amico, *J. Chem. Phys.*, **21**, 1010 (1953).

3. J. H. D'Amico and J. H. D'Amico, *J. Chem. Phys.*, **21**, 1020 (1953).

4. J. H. D'Amico and J. H. D'Amico, *J. Chem. Phys.*, **21**, 1030 (1953).

5. J. H. D'Amico and J. H. D'Amico, *J. Chem. Phys.*, **21**, 1040 (1953).

6. J. H. D'Amico and J. H. D'Amico, *J. Chem. Phys.*, **21**, 1050 (1953).

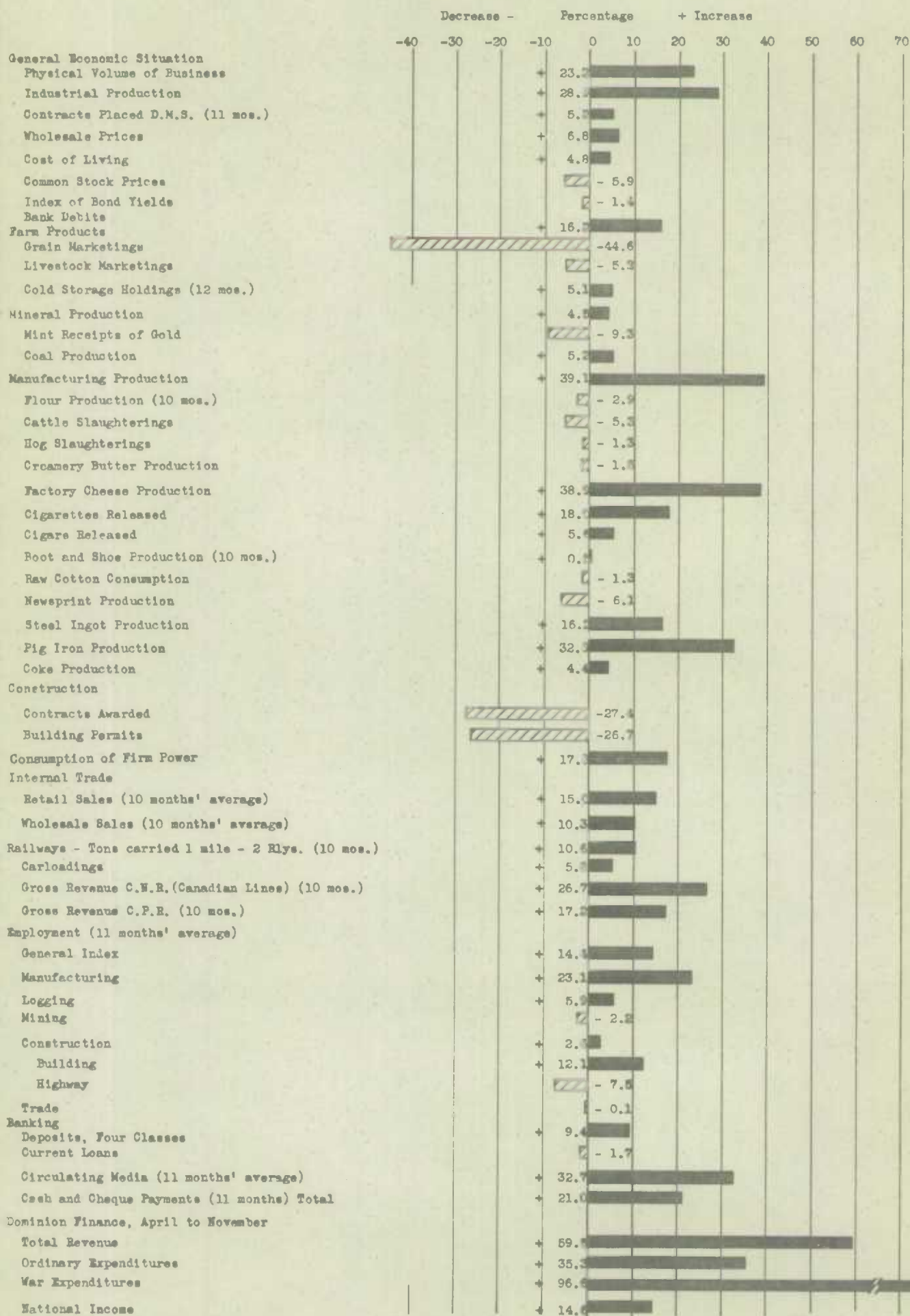
7. J. H. D'Amico and J. H. D'Amico, *J. Chem. Phys.*, **21**, 1060 (1953).

8. J. H. D'Amico and J. H. D'Amico, *J. Chem. Phys.*, **21**, 1070 (1953).

9. J. H. D'Amico and J. H. D'Amico, *J. Chem. Phys.*, **21**, 1080 (1953).

10. J. H. D'Amico and J. H. D'Amico, *J. Chem. Phys.*, **21**, 1090 (1953).

THE ECONOMIC SITUATION IN CANADA  
in the first eleven months of 1942  
as compared with the same period of 1941



Dominion Bureau of Statistics

Twenty-one items recorded declines, while thirty-six showed increases.

Date	Description	Debit	Credit
1880	Jan 1 Balance		100.00
	Jan 10 Cash	50.00	
	Jan 20 Cash	25.00	
	Jan 30 Cash	15.00	
	Feb 10 Cash	30.00	
	Feb 20 Cash	20.00	
	Feb 30 Cash	10.00	
	Mar 10 Cash	40.00	
	Mar 20 Cash	30.00	
	Mar 30 Cash	20.00	
	Apr 10 Cash	50.00	
	Apr 20 Cash	40.00	
	Apr 30 Cash	30.00	
	May 10 Cash	60.00	
	May 20 Cash	50.00	
	May 30 Cash	40.00	
	Jun 10 Cash	70.00	
	Jun 20 Cash	60.00	
	Jun 30 Cash	50.00	
	Jul 10 Cash	80.00	
	Jul 20 Cash	70.00	
	Jul 30 Cash	60.00	
	Aug 10 Cash	90.00	
	Aug 20 Cash	80.00	
	Aug 30 Cash	70.00	
	Sep 10 Cash	100.00	
	Sep 20 Cash	90.00	
	Sep 30 Cash	80.00	
	Oct 10 Cash	110.00	
	Oct 20 Cash	100.00	
	Oct 30 Cash	90.00	
	Nov 10 Cash	120.00	
	Nov 20 Cash	110.00	
	Nov 30 Cash	100.00	
	Dec 10 Cash	130.00	
	Dec 20 Cash	120.00	
	Dec 30 Cash	110.00	
	Total	2000.00	2000.00

Statistics Illustrating the Economic Situation of Canada for the first eleven months of 1942, compared with the same period of 1941.

	Unit or Base Period	First Eleven Months 1942	1941	Per Cent Increase + Decrease -
<b>General Economic Situation</b>				
Index of Physical Volume of Business	1935-9=100	199.9	162.3	+ 23.2
Index of Industrial Production	1935-9=100	225.0	174.6	+ 28.9
War Contracts Placed, D.M.S. (11 mos.)	\$000	1,152,209	1,095,416	+ 5.2
Wholesale Prices	1926=100	95.6	89.5	+ 6.8
Cost of Living	1935-9=100	116.8	111.4	+ 4.8
Index of Common Stock Prices	1935-9=100	63.5	67.5	- 5.9
Index of Bond Yields	1935-9=100	99.3	100.7	- 1.4
Bank Debits	\$000	41,331,641	35,556,411	+ 16.2
<b>Production and General Business</b>				
<b>Farm Products -</b>				
Index of Grain Marketings	1935-9=100	101.3	182.8	- 44.6
Index of Livestock Marketings	1935-9=100	98.5	103.9	- 5.2
Index of Cold Storage Holdings (12 mos.)	1935-9=100	142.4	135.5	+ 5.1
<b>Mineral Production</b>				
Gold Receipts at Mint	Fine Ozs.	4,245,028	4,679,764	- 9.3
Coal Production	Tons	16,982,687	16,138,478	+ 5.2
<b>Manufacturing Production</b>				
Flour Production (10 mos.)	Bbls.	16,724,160	17,229,375	- 2.9
Cattle Slaughtering	No.	1,515,443	1,600,472	- 5.3
Hog Slaughtering	No.	5,514,614	5,586,552	- 1.3
Creamery Butter Production	Lbs.	269,370,340	273,352,525	- 1.5
Factory Cheese Production	Lbs.	196,266,314	141,322,522	+ 38.9
Cigarettes released	No.	9,277,939,153	7,861,718,369	+ 18.0
Cigars released	No.	182,257,034	172,551,831	+ 5.6
Leather Boots and Shoes (10 mos.)	Pairs	23,465,437	23,337,905	+ 0.5
Raw Cotton Consumption	Lbs.	179,893,951	182,238,790	- 1.3
<b>Paper and Lumber -</b>				
Newsprint Production	Tons	2,932,911	3,125,042	- 6.1
<b>Iron and Steel -</b>				
Steel Ingot Production	Short Ton	2,854,030	2,456,469	+ 16.2
Pig Iron Production	Short Ton	1,810,633	1,361,872	+ 32.9
Coke Production	Short Ton	2,999,488	2,872,981	+ 4.4
<b>Construction -</b>				
Contracts awarded	\$	271,985,200	374,781,400	- 27.4
Building Permits (58 Municipalities)	\$	69,281,958	94,462,939	- 26.7
Consumption of Firm Power	000 K.W.H.	29,486,683	25,031,777	+ 17.8
<b>Internal Trade -</b>				
Wholesale Sales (10 mos.' average)	1935-9=100	156.4	141.8	+ 10.3
Retail Sales (10 mos.' average)	1935-9=100	147.4	128.2	+ 15.0
<b>Railways- Tons carried 1 mile - 2 Rlys</b>				
	(10 mos.) 000,000 tons	41,700	37,701	+ 10.6
Carloadings	No.	3,114,260	2,942,748	+ 5.8
Gross Revenue C.N.R. 10 months (Canadian Lines)	\$	270,952,100	213,906,000	+ 26.7
Gross Revenue C.P.R. 10 months	\$	211,157,000	180,185,000	+ 17.2
<b>Employment (10 months' average) -</b>				
General Index	1926=100	172.5	150.8	+ 14.4
Manufacturing		205.1	166.6	+ 23.1
Logging		192.9	182.1	+ 5.9
Mining		172.1	175.9	- 2.2
Construction		128.4	125.1	+ 2.6
Building		153.6	137.0	+ 12.1
Highway		143.4	155.0	- 7.5
Trade		155.3	155.5	- 0.1
<b>Banking - (11 months' average)</b>				
Deposits, Four Classes	\$000	3,303,473	3,018,749	+ 9.4
Currents Loans	\$000	1,072,421	1,091,407	- 1.7
Circulating Media (11 mos.' average)	\$000,000	568.6	428.5	+ 32.7
Cash and Cheque Payments (11 mos.) Total	\$000,000	55,987	46,268	+ 21.0
<b>Dominion Finance - April to November</b>				
Total Revenues	\$	1,453,760,770	911,369,490	+ 59.5
Ordinary Expenditures	\$	349,940,123	258,641,835	+ 35.3
War Expenditures	\$	1,432,527,984	728,652,033	+ 96.6
United Kingdom War Financing	\$	908,928,634	-	-
National Income	\$000,000	6,824	5,953	+ 14.6

Seventeen items recorded declines, while thirty-six showed increases.

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