DOMINION BURGAU
OF STATISTICS
JUL 11 1942
PROPERTY OF THE

CANADA

DEPARTMENT OF TRADE AND COMMERCE DOMINION BUREAU OF STATISTICS GENERAL STATISTICS BRANCH

ECONOMIC CONDITIONS IN CANADA

during the first five months of 1942

compared with the same period of the

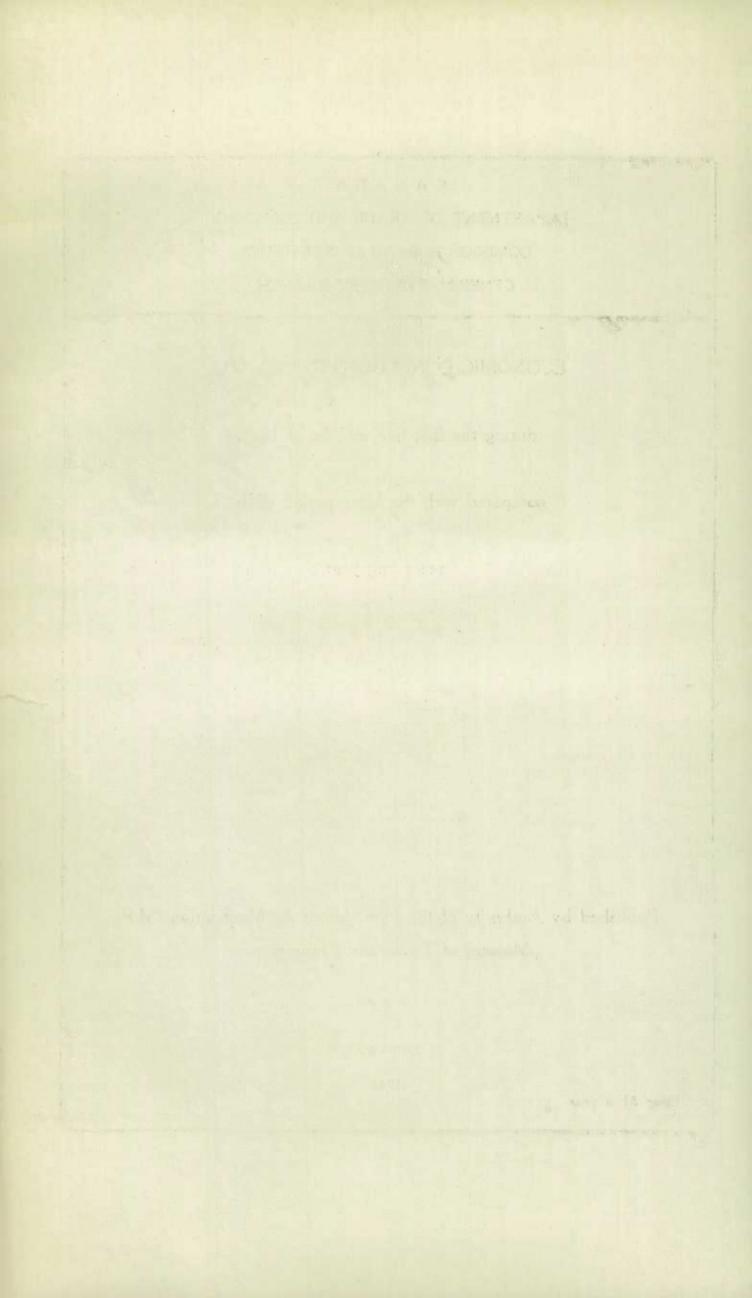
preceding year

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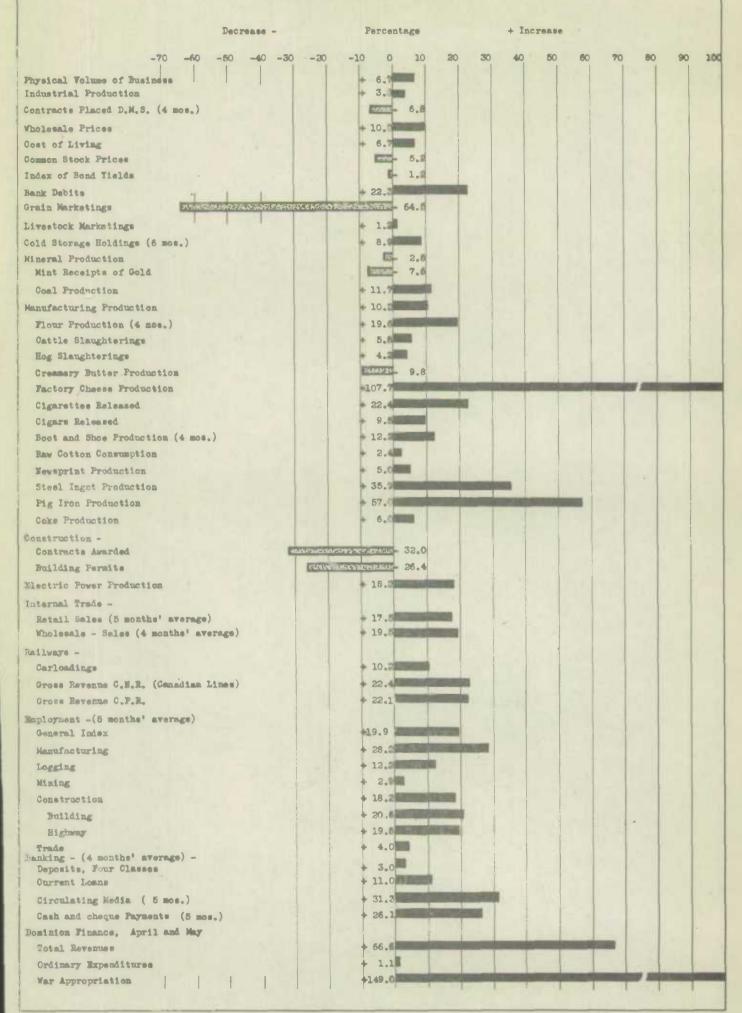
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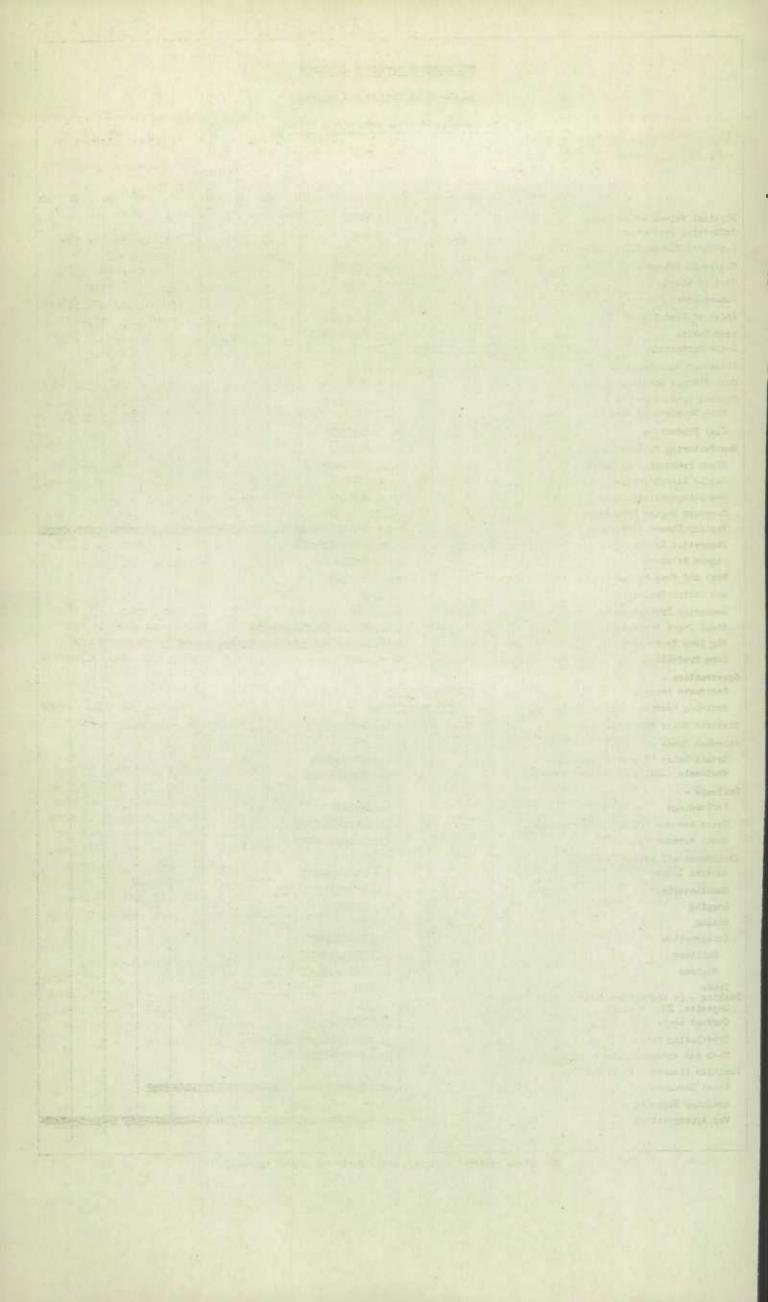


THE ECONOMIC SITUATION IN CANADA

in the first five months of 1942

as compared with the same period of 1941





DOMINION BUREAU OF STATISTICS - OTTAWA

GENERAL STATISTICS BRANCH

Acting Dominion Statistician: Chief, Business Statistics Branch: S. A. Cudmore, M.A. (Oxon), F.S.S., F.R.S.C. Sydney B. Smith, M.A.

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

The factors indicating economic conditions showed an important advance in the first five months of the present year over the same period of 1941. The index of physical volume of business, the most comprehensive measure of productive activity on a monthly basis averaged 136.7 in the elapsed portion of the present year against 128. While wholesale prices have fluctuated within narrow limits below the ceiling established in November last, the index averaged 10 p.c. higher in the period under review. The average on the base of 1926 was 94.8 against 86.2 in the same period of last year. The index of the cost of living, which has also fluctuated narrowly since last November, recorded an advance of 6.7 p.c., the average in the first five months having been 115.8 against 108.5. The amount of cheques cashed in clearing centres affected not only by the advance in the volume of business and commodity prices, but also by heavy payments in connection with the second Victory Loan rose from \$14.6 billion to \$17.8 billion, an increase of 22.3 p.c. having been indicated.

The increase in productive operations, especially in the industries engaged on war contracts, was accomplished through an enlargement in the working forces. The general index of employment averaged 165 during the first five months against 138.3, a gain of nearly 20 p.c. The main influence in raising the general index was the acceleration in manufacturing production. The numbers employed in such plants recorded an increase of more than 28 p.c., the index averaging 195 against 152 in the first five months of 1941. Employment in mining and trade was more than maintained in this comparison, while important increases were shown in building construction and in logging,

Owing to the reduced crop of 1941 and the retardation in the marketing of the crop of the preceding year, the index of grain marketings showed a sharp reaction, the standing having been about 85.0 compared with 239. The index of livestock marketings rose from 97.2 to 98.4 and a gain of nearly 9 p.c. was shown in the index of cold storage holdings.

Coal production was a constructive factor among the indexes measuring the trend of mineral production. The output of coal was more than 8 million tons compared with 7.2 million, a gain of nearly 12 p.c.

The index of manufacturing production rose from 139 to 153, the advance being practically general throughout the different industries. The increase in the production of flour in the first four months was nearly 20 p.c., the advance being from 5.8 million barrels to 6.9 million. The meat-packing industry was considerably more active measured by the slaughterings of cattle and hogs. A marked increase was shown in the production of factory cheese, while the output of creamery butter was at a somewhat lower position. The release of tobacco, especially of cigarettes, recorded an advance. The oigarettes made available increased from 3.1 billion to 3.8 billion, whereas the increase of cigars was from 71.3 million to 78.0 million. The cotton textile industry was slightly more active as measured by the raw cotton used. The output of leather boots and shoes in the first four months showed a gain of 12 p.c.

Newsprint production, one of the principal products of the forestry group, showed an increase of 5 p.c., the total in the first five months having been 1.4 million tons. The expansion in the primary iron and steel industry was one of the striking features of the early months of the present year. The production of steel ingots rose from 961.000 tons to 1,306,000, a gain of mearly 36 p.c. The increase in the production of pig iron was relatively of greater proportions, the total having been 806,000 tons against 513,000, a gain of 57 p.c.

The new business obtained by the construction industry was at a lower position in the first five months of the present year. The decline in contracts awarded and in building permits in 58 manicipalities was 32 p.c. and 26.4 p.c., respectively. The production of electric power was affected by the expansion in industrial operations. The increase was from 13.2 billion kilowatt hours to 15.6 billion, a gain of more than 18 p.c.

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

Item	Unit or Base Perio		Five Months	Inc	Per Cent Increase +	
				Dec	rease -	
General Economic Situation						
Index of Physical Volume of Business	1935-9=100	136.7	128.1	+	6.7	
Index of Industrial Production	1935-9=100		139.9	+	3.8	
Contracts Placed, D.M.S. (4 mos.)	\$ 000,000	317	340	epote .	6.8	
Wholesale Prices	1926=100		86.2	+	10.0	
Cost of Living	1935-9=100		108.5	+	6.7	
Index of Common Stock Prices	1935-9=100		66.9	-	5.2	
Index of Bond Yields	1935-9=100		100.7	_	1.2	
Bank Debits	\$000 1935-9=100	17,824,665	14.569,470	+	22.3 64.5	
Index of Grain Marketings Index of Livestock Marketings	1935-9=100		97.2	+	1.2	
Index of Cold Storage Holdings (6 mos			145.6	+	8.9	
Production and Leneral Business	1.300-0-100	, 100.0	22010		0,0	
Mineral Production	1935-9=100	123.1	126.6	Beer	2.8	
Gold Receipts at Mint	Fine Ozs.		2,133,248		7.6	
Coal Production	Tons	8,003,260			11.7	
Manufacturing Production	1935-0=100		138.9		10.2	
Flour Production (4 mos.)	Bbls.		5,777,126	+	19.6	
Cattle Slaughterings	No.	675,524		+	5.8	
Hog Slaughterings	No.	2,710,024	2,599,892	+	4.2	
Creamery Butter Production	Lbs.	77,970,862	86,479,345	·	9.8	
Factory Cheese Production	Lbs.	50,335,353	24,231,362	+	107.7	
Cigarettes released	No.	3,848,212,483			22.4	
Cigars released	No.	78,007,076			9.5	
Leather Boots and Shoes (4 mos.)	Pairs	9,585,412			12.2	
Raw Cotten Consumption	Lbs.	84,656,640	82,705,181	. +	2.4	
Paper and Lumber -						
Newsprint Production	Tons	1,415,412	1,347,437	+	5.0	
Iron and Steel -			0.00 0000			
Steel Ingot Froduction	Short Ton				35.9	
Pig Iron Production	Short Ton	· · · · · · · · · · · · · · · · · · ·			57.0	
Coke Froduction	Short Ton	1,363,835	1,287,115	+	6.0	
Construction -		000 202 000	300 830 300	,	70 0	
Contracts awarded	\$	88,191,000			32.0	
Building Permits (58 Municipalities		29,391,563			26.4	
Electric Power Production	000 K.W.H.	15,569,184	13,172,319	7	18.2	
Internal Trade -	1935-9=100	144.5	120.9	+	19.5	
Wholesale Sales (4-months average)	1935-9=100		120.3	+	17.5	
Retail Sales (5-months average) Railways	1905-5=100	727.2	120.0	T	11.00	
Carloadings	No.	1,348,195	1,223,477	7 +	10.2	
Gross Revenue C.N.R. (Canadian Lines		120,860,700			22.4	
Gross Revenue, C.F.R.	\$	99,788,000			22.1	
Employment - 5 months' average -						
General Index	1926=100	165.8	138.3	+	19.9	
Manufacturing		195.1	152.2	+	28.2	
Logging		230.3	205.2	+	12.2	
Mining		175.9	170.9	+	2.9	
Construction		110.8	93.7	+	18.2	
Building		137.9	114.3	+	20.6	
Highway		117.1	98.0		19.5	
Trade		157.5	151.4	+	4.0	
Banking - 4 months average -						
Deposits, Four classes	\$ 000	2,833,888			3.0	
Current Loans	\$ 000	1,119,289			11.0	
Circulating Media (5 mcs.)	\$ 000	2,608,767			31.3	
Cash and Cheque Payments (5 mos.)	\$ 000	23,878,667	18,930,80	5 +	26.1	
Deminion Finance - April and May -						
Total Revenues	\$	504,691,292				
Ordinary Expenditures	\$	65,657,133				
War Appropriation	\$ \$ \$ \$	339,975,598	· · ·	+ £	149.0	
United Kingdom War Financing	\$	220,000,000	~		- Company	

Nine items recorded declines, while forty-three showed increases.



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