## 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

Published by Authority of the Hon. James A. MacKinnon, M.P..
Minister of Trade and Commerce.

OTTAWA
1942
Prise $\$ 1$ a year



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> ECONOMIC CONDITIONS IN CANADA DURING THE FIRST FIVE MONTHS OF 1942, COMPARBD 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 l28. While wholesale prices have fluctuated within narrow limits below the celling establishod in November last, the index averaged 10 poc. 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 $6.7 \mathrm{p} . \mathrm{c}$. , 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 comnodity 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 $22.3 \mathrm{p}, \mathrm{c}$. having been indicated.

The increase in productive operations, especially in the industries engaged on wer 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 $20 \mathrm{p} . \mathrm{c}$. 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 marketinge rose from 97.2 to 98.4 and a gain of nearly $9 p_{0} c$. 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 $20 \mathrm{p} . \mathrm{c}$., 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 wets from 71.3 million to 78.0 miliion. The cotton textile industry was slightiy 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 feam tures of the early months of the present year. The production of steal ingots rose from 961.000 tons to $1,306,000$, a gain of nearly 36 poc. The increase in the production of rig 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 huilding permits in 58 IInicipalities was $32 \mathrm{p}, \mathrm{c}$. and $26.4 \mathrm{p} . \mathrm{co}$, respectively. The production of electric power was affected by the expansion in industrial operations. The increase was from 15 s? hilliow kilowat hours t, 1506 billicn, a gain of more than 18 p.c.

Soatistice M2tustrating the Economic Situation of Canada for the first five months, of 1942, Compared with the same period of 1941.

| Tten | Unit or <br> Base Period | $\begin{aligned} & \text { First } \\ & 1942 \end{aligned}$ | Five Months 1941 |  | Cent <br> rease + <br> resse - |
| :---: | :---: | :---: | :---: | :---: | :---: |
| General Economsc Situation |  |  |  |  |  |
| Index of Physical Volume of Business | 1935-9 $=100$ | 136.7 | 128.1 | + | 6.7 |
| Index of Industrial Production | $2935-9=100$ | 145.2 | 139.9 | + | 3.8 |
| Contracts Placed, D.M.S. (4 mos.) | \$ 000,000 | 317 | 340 | - | 6.8 |
| Wholesale Prices | $1926=100$ | 94.8 | 86.2 | $+$ | 10.0 |
| Cost of Living | 1935-9 $=100$ | 115.8 | 108.5 | + | 6.7 |
| Index of Commun Stock Prices | 1935-9 $=100$ | 63.4 | 66.9 | - | 5.2 |
| Index of Bund Yields | $1935-9=100$ | 99.5 | 100.7 | - | 1.2 |
| Bank Debits | \$000 | 17,824,665 | 14.569,470 | $+$ | 22.3 |
| Index of Grain Marketings | 1935-9 $=100$ | 84.9 | 239.0 | - | 64.5 |
| Incux of Livesiock Marketings | 1935-9m100 | 98.4 | 97.2 | $+$ | 1.2 |
| Index of Cold Storage Holdings ( 6 mos) | ) $1935-0=100$ | 158.5 | 145.6 | $+$ | 8.9 |
| Procuction and eneral Business |  |  |  |  |  |
| Mineral Production | $1935-9=100$ | 123.1 | 126.6 | - | 2.8 |
| Gold Receipts at Mint | Fine Ozs. | 1,971,493 | 2,133,248 | - | 7.6 |
| Coal Pruduction | Tons | 8,003,260 | 7,167,252 | + | 11.7 |
| Manufacturing Production | 1935-0 100 | 153.1 | 138.9 | + | 10.2 |
| Flour Producion (4 mos.) | BbIs . | 6,908,582 | 5,777,126 | + | 19.6 |
| Cattle Slaughterings | No. | 675,524 | 638,736 | + | 5.8 |
| Hog Slaughterings | No. | 2,710,024 | 2,599,892 | + | 4.2 |
| Cieanery Eiutter 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 | 3,848,212,483 | 3,143,560,602 | + | 22.4 |
| Cigar's J'eleased | No. | 78,007,076 | 71,256,024 | + | 9.5 |
| Leather Bovir and Shoes (4 mos.) | Pairs | 9,585,412 | 8,539,711 | + | 12.2 |
| Raw Colicn Cansumption | Lbs. | 84,656,640 | 82,705,181 | + | 2.4 |
| Paper and Lumber - |  |  |  |  |  |
| Iron ard steel - |  |  |  |  |  |
| Sieel Ingot Froduction | Short Ton | 1,305,896 | 961.272 | $+$ | 35.9 |
| Pig Iron Production | Short Ton | 806,039 | 513,238 | + | 57.0 |
| Coke Froduction | Short Ton | 1,363,835 | 1,287,115 | + | 6.0 |
| Construction - |  |  |  |  |  |
| Contracts awarded | \$ | 88,191,000 | 129,719,100 | - | 32.0 |
| Building Permits (58 Municipalities) | ) \$ | 29,391,563 | 39,960,997 | - | 26.4 |
| Electric Power Production | $000 \mathrm{~K} . \mathrm{W} . \mathrm{H}_{\text {. }}$ | 15,569,184 | 13,172,319 | + | 18.2 |
| Internal Mrade - |  |  |  |  |  |
| Wholesale Sales(4-months average) | 1935-9=100 | 144.5 | 120.9 | + | 19.5 |
| Retail Sales (5-months average) | $1935-9=100$ | 141.4 | 120.3 | + | 17.5 |
| Railways .- |  |  |  |  |  |
| Carloedings | No. | 1,348,195 | 1,223,477 | $+$ | 10.2 |
| Gross Revenue C.N.R.(Canadian Iines) | ) \$ | 120,860,700 | 98,740,000 | + | 22.4 |
| Gross Revenue, C.F.R. | \$ | 99,788,000 | 81,751,000 | + | 22.1 |
| Employment - 5 montns ${ }^{\text {average - }}$ |  |  |  |  |  |
| Creasral Indox | $1926=100$ | 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 |
| Constructicn |  | 110.8 | 93.7 | + | 18.2 |
| Building |  | 137.9 | 114.3 | + | 20.6 |
| Highway |  | 217.1 | 98.0 |  | 19.5 |
| Trade |  | 257.5 | 151.4 | + | 4.0 |
| Banking - 4 monlhsi average - |  |  |  |  |  |
| Deposits, Four classes | \$ 000 | 2,833,888 | 2,751,126 | $+$ | 3.0 |
| Curient Juans | \$ 000 | 1,119,289 | 1,008,129 | + | 11.0 |
| Circulating Media (5 mes.) | \$ 000 | 2,608,767 | 1,986,382 | + | 31.3 |
| Cash and Sheque Payments (5 mos.) | \$ 000 | 23,878.66\% | 18,933,805 | + | 26.1 |
| Dominion Einance - April and May - |  |  |  |  |  |
| Total Revenucs | \$ | 504,691,292 | 302,859,488 | $+$ | 66.6 |
| Ordinary Ixpenditures | \$ | 65,657,133 | 64,920,893 |  | 1.1 |
| War Appropriation | \$ | 339,975,598 | ] 36,548,834 |  | 149.0 |
| United Kinidom War Financing | \$ | 220,000,000 | - |  | - |

Ninc items recorded declines, while forty-three showed increaser.

