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ECONOMIC CONDITIONS IN CANADA DURING THE FIRST QUARTER OF 1943
COMPARED WITH THE SAME PERIOD OF 1942

Economic activity reached a new high point in the first quarter of the present year. The national income at \$2,112 million was 24.3 p.c. greater than in the same period of last year when the standing was nearly \$1,700 million. The stimulus of war production was the main influence in increasing the national income over the last twelve months.

During the fiscal year ended March, the national income according to the tentative computation was \$7,878 million compared with \$6,793 million in the preceding fiscal year. The standing in March was more than \$725 million compared with \$700 million in the second month of the year. One year ago, the income in March was \$583 million against \$556 million in the preceding month.

The main factors indicating the trend of economic conditions recorded advances during the first quarter over the same period of last year. The index of the physical volume of business rose 19.2 p.c., the standing on the base of 1935-39 during the last quarter having been 228.3. The index is one of the most comprehensive measures of the production and handling of commodities. The main components are mining, manufacturing, electric power, construction and distribution, the latter being represented by railway traffic, internal and external trade.

The index of mineral production was nearly 4 p.c. below the same period of last year. Gold receipts at the Mint were 963,000 ounces against 1,165,000. The decline in coal production was more than 8 p.c., the output in the first quarter of the present year having been 4,767,000 tons. fully

As the manufacturing industry participated in war production a marked gain was shown over the first quarter of last year. The index advanced from 220.5 to 288.0, a gain of 30.6 p.c. The flour milling industry was more active, the output of wheat flour in the first two months showing a gain of nearly 26 p.c. The meat packing industry was less active in the first quarter. Creamery butter production showed a gain of nearly 28 p.c., the output having been 40.6 million pounds in the first quarter of the present year. Considerable decline was shown in the production of factory cheese.

The release of cigarettes was 2,872 million against 2,309 million in the first quarter of last year, a gain of 24.4 p.c. The increase in the release of cigars was 8.4 p.c. The consumption of raw cotton by the textile industry was nearly maintained. A considerable decline was recorded in newsprint production, the output having been 702,000 tons against 886,000. Steel ingot production was 724,000 short tons against 768,000, a decline of 5.8 p.c. The output of pig iron also showed some reduction.

The new business obtained by the construction industry was slightly greater as measured by contracts awarded. The total was \$42.1 million against \$41.8 million in the same period last year. The consumption of firm power rose 6.4 p.c. from nearly 8 billion k.w.h. to 8.5 billion. The distribution of commodities by wholesale and retail outlets showed further expansion in the first two months of this year. The index of wholesale sales rose from 134 to 143, a gain of 6.5 p.c., while retail sales showed a lesser advance from 124.1 to 129.6, a gain of 4.4 p.c.

Tons of freight carried one mile by the two railways showed a decline of 2 p.c. to 7,472 million. The reduction in carloadings amounted to 2.6 p.c. The gross revenue of the Canadian National Railway lines rose 21 p.c. while that of Canadian Pacific Railways was 10.3 p.c. greater. The general index of employment averaged 182 in the first quarter of 1943 against 165.4 in the same period of last year, a gain of about 10 p.c. Gains were shown in manufacturing and construction, while logging and mining were at lower levels. Four classes of deposits were 12 p.c. greater in the first two months of the year and notice deposits showed a considerable gain at the first of March. Current loans averaged lower by 4.4 p.c. Circulating media in the hands of the public were estimated at \$687 million against \$504.5 million in the first quarter of last year, a gain of 36.2 p.c. Cash and cheque payments in the first quarter of the year were \$10,484 million against \$8,192 million, a gain of 28 p.c.

The total revenues of the Dominion Government during the first eleven months of the present fiscal year were \$2,016 million against \$1,255 million, a gain of 60.7 p.c. Ordinary expenditures rose 30.8 p.c., while war expenditures, exclusive of \$1 billion war appropriation was 79.2 p.c.

Table 1. Statistics Illustrating the Economic Situation of Canada for the first quarter of 1943 compared with the same period of last year.

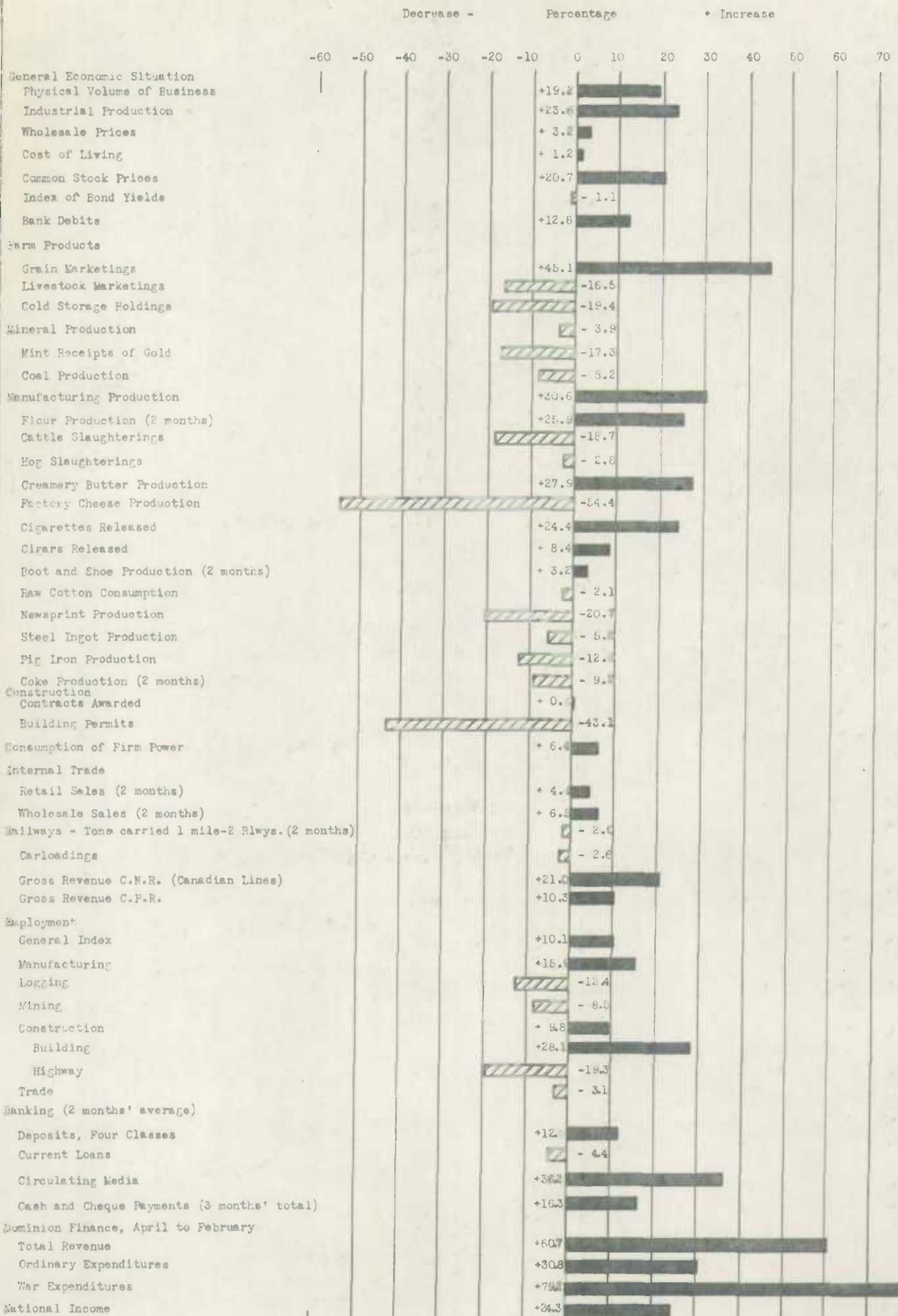
	Unit or Base Period	First Quarter		Per Cent Increase + Decrease -
		1943	1942	
General Economic Situation				
Index of Physical Volume of Business	1935-9=100	228.3	191.5	+ 19.2
Index of Industrial Production	1935-9=100	263.8	213.5	+ 23.6
Wholesale Prices	1926=100	97.7	94.7	+ 3.2
Cost of Living	1935-9=100	117.1	115.7	+ 1.2
Index of Common Stock Prices	1935-9=100	78.0	64.6	+ 20.7
Index of Bond Yields	1935-9=100	98.3	99.4	- 1.1
Bank Debits	\$000	11,623,354	10,300,482	+ 12.8
Production and General Business				
Farm Products -				
Index of Grain Marketings	1935-9=100	123.8	85.3	+ 45.1
Index of Livestock Marketings	1935-9=100	90.2	108.0	- 16.5
Index of Cold Storage Holdings	1935-9=100	119.4	148.1	- 19.4
Mineral Production				
Gold Receipts at Mint	Fine ozs.	963,137	1,164,622	- 17.3
Coal Production	Tons	4,766,921	5,191,694	- 8.2
Manufacturing Production				
Flour Production (2 months)	Bbls.	3,953,774	3,140,828	+ 25.9
Cattle Slaughtering	No.	300,318	369,491	- 18.7
Hog Slaughtering	No.	1,584,686	1,630,727	- 2.8
Creamery Butter Production	Lbs.	40,639,109	31,773,997	+ 27.9
Factory Cheese Production	Lbs.	6,242,042	13,693,978	- 54.4
Cigarettes released	No.	2,872,217,534	2,309,278,414	+ 24.4
Cigars released	No.	49,910,125	46,049,157	+ 8.4
Leather Boots and Shoes (2 months)	Pairs	5,438,191	5,270,031	+ 3.2
Raw Cotton Consumption	Lbs.	48,687,511	49,728,082	- 2.1
Paper and Lumber -				
Newsprint Production	Tons	702,206	885,840	- 20.7
Iron and Steel -				
Steel Ingot Production	Short Ton	723,558	767,840	- 5.8
Pig Iron Production	Short Ton	414,668	474,245	- 12.6
Coke Production (2 months)	Short Ton	481,773	530,865	- 9.2
Construction -				
Contracts awarded	\$	42,113,900	41,783,500	+ 0.8
Building Permits (58 Municipalities)	\$	7,787,495	13,697,423	- 43.1
Consumption of Firm Power	000 K.W.H.	8,491,654	7,977,467	+ 6.4
Internal Trade -				
Wholesale Sales (2 months)	1935-9=100	142.9	134.2	+ 6.5
Retail Sales (2 months)	1935-9=100	129.6	124.1	+ 4.4
Railways - Tons carried 1 mile-2 Rlys 000,000 tons (2 months)				
		7,472	7,628	- 2.0
Carloadings	No.	770,949	791,827	- 2.6
Gross Revenue C.N.R. (Canadian Lines)	\$	84,107,300	69,526,700	+ 21.0
Gross Revenue C.P.R.	\$	63,581,000	57,644,000	+ 10.3
Employment - Unadjusted (3 months' average)				
General Index	1926=100	182.1	165.4	+ 10.1
Manufacturing		221.7	191.3	+ 15.9
Logging		238.6	272.5	- 12.4
Mining		162.0	177.0	- 8.5
Construction		126.8	115.5	+ 9.8
Building		181.8	141.9	+ 28.1
Highway		102.8	127.4	- 19.3
Trade		155.4	160.3	- 3.1
Banking - (2 months' average)				
Deposits, Four Classes	\$000	3,513,863	3,138,686	+ 12.0
Current Loans	\$000	1,007,516	1,054,174	- 4.4
Circulating Media	\$000,000	686.9	504.5	+ 36.2
Cash and Cheque Payments (3 months')	\$000,000			
Total		16,057	13,807	+ 16.3
Dominion Finance - April to February				
Total Revenues	\$	2,016,018,072	1,254,640,292	+ 60.7
Ordinary Expenditures	\$	464,092,396	354,722,887	+ 30.8
War Expenditures	\$	2,025,040,304	1,129,868,707	+ 79.2
United Kingdom War Financing	\$	1,000,000,000	-	-
National Income (Tentative Computation)	\$000,000	2,112	1,699	+ 24.3

Twenty-two items recorded declines, while thirty showed increases.

THE ECONOMIC SITUATION IN CANADA

for the first quarter of 1943

as compared with the same period of last year



Dominion Bureau of Statistics

Twenty-two items recorded declines while thirty showed increases.

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