B. REVIEW OF ECONOMIC AND FINANCIAL CONDITIONS, 1939-40

1. The following tables and related paragraphs present a comprehensive survey of general economic conditions in Canada during the past year. For purposes of comparison figures for certain earlier years are also provided, and in the case of the more important factors statistics on a monthly basis are given covering the last two fiscal years.

The figures used throughout are those published by the Dominion Bureau of Statistics, unless otherwise indicated. Where an index or average figure is given for a fiscal, rather than a calendar year, it represents an average of the monthly data during the period concerned. All indexes shown as based on the year 1926 are to be construed as based on the calendar year 1926, and not the fiscal year.

A change this year in the method of compiling trade statistics at the end of the fiscal year has artificially decreased the March trade figures and artificially increased those of April, so that a valid comparison of either month with the same month in any previous year has been made impossible. This change not only affected directly the comparability of the trade statistics but influenced indirectly as well the index of the physical volume of business, many of the components of which utilize imports and exports of certain commodities as indicators of current business activity. To facilitate an accurate comparison of recent trends, therefore, in the following tables the figures for March and April of both the current and the preceding year have been averaged throughout, in the case not only of factors affected by the trade statistics, but, in order to provide comparable data, of other factors as well. In the text this average will be termed the March-April figure.

In the case of averages for the fiscal year ended March 31, 1940, no attempt has been made to adjust the March figures which have been artificially lowered by the change in the trade statistics, so that in all statistics affected by trade figures the average for the last fiscal year is slightly lower than it would have been if calculated on a basis comparable with previous years. This artificial reduction might amount to about one, two or three per cent in the annual figures.

CANADIAN ECONOMIC CONDITIONS

SUMMARY TABLES

—	Fiscal Years ended March 31							Mar.-Apr. Av.	
	1927	1929	1933	1937	1938	1939	1940	1939	1940
Group I.—Comprehensive Indexes (1926=100)									
Physical volume of business	101·9	122·1	74·8	115·2	120·8	113·8	126·9	114·9	137·0
Volume of manufacturing	101·1	117·5	70·8	117·6	119·8	108·4	125·6	108·5	132·8
Mining	103·0	121·1	104·2	166·5	196·0	194·8	217·6	208·1	252·2
Forestry	99·7	104·3	64·2	131·8	130·3	106·5	125·6	115·3	135·5
Carloadings	102·6	112·5	63·8	77·9	79·9	72·8	80·5	70·5	79·0
Electric power output	104·7	136·6	132·4	218·0	229·0	220·9	239·9	229·7	243·0
Employment	100·8	113·7	84·4	104·4	115·7	110·8	115·8	111·0	118·3
National income†	100·0	114·3	64·4	85·1	97·3	94·1	101·9	....	....
Dollar value of retail sales† (1930=100)	93·2	110·1	66·8	74·0	78·6	77·5	79·8	....	....
Group II.—Price Levels and Financial Factors (1926=100)									
Wholesale prices	98·8	95·8	65·5	77·2	84·6	76·0	77·8	73·3	83·2
Farm Product Prices	99·1	99·1	46·3	75·6	86·3	68·6	65·8	65·3	71·7
Cost of living	99·6	98·9	79·9	81·2	83·6	83·9	84·1	83·1	85·6
Common stock prices	101·8	173·3	52·1	125·5	117·6	103·8	99·4	99·9	98·0
Dominion Government bond prices	100·4	102·4	100·8	117·9	115·2	118·1	115·1	119·2	114·4
Dividend payments	101·8	123·7	79·9	112·9	139·0	143·4	129·2	136·1	124·7
Bank deposits	101·0	116·1	98·5	116·4	122·1	127·0	137·7	129·9	140·1
Active currency circulation	101·0	105·4	75·9	102·3	111·1	113·4	126·7	114·5	137·4

†Nearest calendar year.

[Mr. Ralston.]