

Contracts awarded in the first five months of 1942 were \$88,200,000, which was less than in the same period of 1941 when new business amounted to \$129,700,000: nevertheless the amount was greater than in other recent years. This does not mean that construction *activity* necessarily decreased since contracts, especially for war construction enterprises, are often long-term and the contracts awarded cannot be analysed over a short period of time. There appears to have been a little easing off, however: the building restrictions on homes and residences would have an appreciable short-term effect.

Transportation.—The effect of industrial expansion upon the transport industries is indicated by the increase of about 11 p.c. recorded for carloadings during the first 23 weeks of 1942, over the same period of the preceding year. The gain over the same weeks of 1939 when Canada was still at peace, was 47 p.c. The expansion was greatest in lumber, grain and manufactured products with metallic ores also recording an increase.

The cumulative gross revenues of the Canadian National Railways were \$151,900,000 from the beginning of the year to June 14. The comparable amount for the preceding year was \$127,900,000, a gain of 18·7 p.c. or \$24,000,000. The gross earnings of the Canadian Pacific Railway Company in the same period were \$109,100,000 against \$89,700,000, an increase of 21·7 p.c. or \$19,400,000.

Freight transported through the Canadian and United States locks of the Sault Ste. Marie Canals was 10,200,000 tons in April against 7,900,000 in the same month of 1941. Notable increases were shown in the movement of iron ore, wheat and coal.

Employment and Earnings.—Although seasonal curtailment in many of the non-manufacturing industries usually results in a general decline in industrial activity in the Dominion during the winter, there was comparatively little recession in the early part of 1942 from the extraordinarily high level indicated in the final quarter of 1941. The general index, which showed a fractional decline from Jan. 1 to Apr. 1, 1942, was only a few points lower than in the preceding three months: as compared with the period Jan. 1 to Apr. 1 in 1941, there was an increase of over 21 p.c.

Employment in manufacturing has increased almost uninterruptedly from the outbreak of war, the only exceptions to the general upward movement having been due to the brief slackening during the year-end holiday season. The exceptionally small decline indicated at Jan. 1, 1942, lowered the index only slightly from its high position in the last few months of 1941. The upward movement was resumed immediately after the holidays with the result that successive new all-time highs were established commencing with Feb. 1. Much of the prevailing activity in manufacturing centres consisted in the production of munitions of war, so that employment in the heavy industries reached unprecedented heights. The chemical group has also shown a particularly marked response to war-time demands, while the production of food, clothing and many other lines afforded substantially more employment in the early months of 1942 than in the same period in any preceding year.

In the non-manufacturing classes, the logging, mining, transportation, communications, construction, services and trade industries in the first months of 1942, have also been extremely active for the time of year; in some cases, new all-time high records were established in these divisions while in others the volume of employment was greater than in any other winter of the past ten or twelve years.

The general high level of activity has been accompanied by substantial increases in industrial payrolls in the relatively short period for which such statistics are available, the record of current earnings commencing only in the early summer