

of 1941. Since then, the amounts disbursed by the co-operating establishments in salaries and wages have shown important advances, an index based upon the weekly earnings paid at June 1, 1941, as 100, having risen to 121·6 at Apr. 1, 1942. This was the highest figure on record, the previous maximum having been 119·5 at Dec. 1, 1941. This rate of increase in the reported earnings has greatly exceeded that shown by the index of employment in the same period, which from June 1, 1941 to April 1, 1942, had risen by 8 p.c. The average weekly per capita earnings, standing at \$25·25 at June 1, 1941, had mounted to \$28·41 by April 1, 1942, when the 1,652,810 persons recorded in employment in the manufacturing, logging, mining, communications, transportation, construction, service and trade industries were reported to have been paid the sum of \$46,959,087 for services rendered in the preceding week.

*Employment and Earnings in the Manufacturing and Non-Manufacturing Classes.*—In the manufacturing classes, the increase in the payrolls disbursed from June 1, 1941 to Apr. 1, 1942, was 34·3 p.c., a gain which accompanied that of 18·7 p.c. in reported employment in the same period. In the manufacturing divisions, the per capita average weekly earnings have advanced from \$25·57 at June 1, 1941, to \$28·94 at the beginning of April of the present year. The concentration of workers in the heavy manufacturing industries, the extensive use of overtime work and the payment of cost-of-living allowances, have contributed to the greater gain in the indicated earnings. In the same period, the payrolls reported in the non-manufacturing classes have risen by 4·2 p.c.; as a result of seasonal factors operating between the early summer and the late winter, the corresponding index of employment showed a decline of 6·3 p.c. from June 1, 1941 to Apr. 1, 1942. The per capita weekly average earnings in the non-manufacturing industries have risen from \$25·17 at the former to \$27·52 at the latter date.

*Internal Trade.*—Notwithstanding restrictions on the production of many lines of consumer goods and the divergence of increasing proportions of consumers' incomes to finance the War, the underlying trend in retail trading continues at a high level in Canada. The dollar value of retail trade as measured by the composite index of sales for twelve lines of retail business dealing chiefly in foods, clothing and household requirements averaged 16 p.c. higher in 1941 than in 1940, and was 36 p.c. above the average level of the five-year period between 1935 and 1939. The first four months of 1942 witnessed a continuation of the same upward trend, the average index of sales for this period, after adjustment for normal seasonal movements standing almost 56 p.c. above the level of the five-year base (1935-1939).

The increase in dollar sales is due partially to higher prices and partially to an increase in the quantity of goods purchased. The retail price index computed by the Dominion Bureau of Statistics averaged 20 p.c. higher for the first four months of 1942 compared with the five-year base. While indexes of dollar sales and indexes of retail prices are not computed in such a way as to be strictly comparable, they are sufficiently so to show that a considerable portion of the 56 p.c. increase in dollar volume of business must be attributed to price movements.

Restrictions on instalment buying introduced in the autumn of 1941 together with reduced production quotas resulted in curtailment of purchases in stores specializing in furniture or in electrical household appliances and radios in the latter part of the year. Furniture store sales for the first four months of 1942 were maintained on a par with the dollar volume of sales for this type of business during the corresponding period of 1941. Dollar sales of radio and electrical stores were up 3 p.c. in the same comparison.