

Growth of Manufactures Prior to 1939.—In the 1941 Year Book, at pp. 305-306, a summary of the growth of Canadian manufactures since 1870 is given. This summary traces the influence of the First World War on the growth of Canadian manufacturing industries and also the effects of the post-war boom period ended in 1929 and of the following depression of the '30's. Certain aspects of the trends developed are treated in greater detail in earlier editions of the Year Book.

THE INFLUENCE OF THE PRESENT WAR ON MANUFACTURES*

As in the case of the First World War, Canadian industry has expanded by leaps and bounds since the outbreak of hostilities in September, 1939. Many new industries have developed, and many others that were engaged in the production of goods for civilian use have been diverted to the output of the essentials of war. There has been this great difference, however: whereas Government control of industry was unthought of in Canada in 1914-18, the experience gained during the inflationary period following that War to 1929, and in the depression of the 1930's, provided the basis for a system of control measures that has become more rigid as the War has progressed both in regard to the agencies of production and to the consumption of all classes of goods and materials.

The present review is divided into two parts as follows: (1) a description of these Government control measures, and (2) an outline summarizing the production of the principal munitions of war. This arrangement gives some idea of the curtailment to date in the production and consumption of goods for civilian use, and at the same time reveals something of the manner in which the productive capacity of Canadian industry has been transferred to the production of the vital tools of war.

Agencies and Measures of Control

The following paragraphs outline significant measures of control as they affected some of the more important industrial commodities to Mar. 1, 1942.

Iron and Steel.—Before the War, Canada possessed a steel capacity of 1,800,000 long tons per annum, and since then war-time production has increased until, by the end of the first quarter of 1942, it approached a rate of 3,000,000 tons per annum. Despite this impressive increase, steel requirements for 1942 are greatly in excess of Canadian output. Part of this shortage, at least in the most essential categories, may be relieved by importations from the United States, but it is apparent that the situation calls for the most careful conservation of existing steel supplies.

As an initial measure to conserve steel, the Steel Controller (who, as in the case of the Controllers of most other commodities, operates under the Department of Munitions and Supply) instituted informal preference classifications. This step allowed essential industries to obtain steel, but the shortage subsequently became so acute that in August, 1941, steel mills were instructed to deliver steel in certain forms only to essential war industries (with a few obvious exceptions) unless otherwise authorized by the Steel Controller. Further control has been exercised by the stipulation that the schedules of rolling-mills be submitted for the approval of the Controller. In December, 1941, the use of new or second-hand structural steel for buildings, container tanks, bridges, etc., was made conditional on permission of the Controller. Among other steps, structural steel shapes have been standardized and reduced in number from 267 to 70.

* This material has been compiled mainly from data supplied by the Department of Munitions and Supply, and was finally revised by H. Carl Goldenberg, Joint Director General, Economics and Statistics Branch of that Department.