

# INTRODUCTION\*

## Section 1.—Canada and the War

The steps taken by Canada immediately on the outbreak of war in September, 1939, and subsequent events up to early 1942 are covered in the 1941 and 1942 editions of the Canada Year Book. During the period between the spring of 1942 and the spring of 1944 many changes have occurred in the conduct of the War. From being hemmed in and driven back in Russia, the Mediterranean and the Far East, the Allies have moved to the offensive and are now attacking the enemy on all fronts.

Canada has taken an active part in turning the tide of the War. The Armed Forces increased in strength from 505,000 in September, 1942, to 765,000 in May, 1944; the Navy increased from 300 ships to more than 700 in the same period; Canada has become the third largest naval power and the fourth air power of the United Nations; Canadian women in the Armed Forces increased in number to more than 32,000 by May, 1944.

A long and what must have been at times a trying period of intensive training and waiting has been brought to a close for Canadian troops by participation in several military operations, including the conquest of Sicily, the invasion of Italy, the occupation of Kiska in the Aleutian Islands and finally the invasion of Western Europe. Since mid-November, 1943, the Canadians in Italy have been operating as a self-contained Canadian Corps attached to the British Eighth Army.

In action as a Corps for the first time in the 1944 Italian Campaign, the Canadians played a prominent part in the attack on the Hitler Line which opened the way for the Allied advance up the Liri and Sacco Valleys to Rome.

In the pre-invasion aerial bombardment of enemy communications, industrial centres and coastal fortifications of Western Europe that was carried out with increasing intensity during April and May, 1944, Canadians serving with the Royal Canadian Air Force and Royal Air Force took an active part. Canadian troops were among the Allied Forces which landed on June 6, 1944, on the northern coast of France. Units of the Canadian Navy and Air Force supported the invasion.

In organizing for war on the home front, among the first and most important measures introduced were those designed to control the country's economy and prevent inflation. Late in 1941 wages were stabilized, a price ceiling was set, and a cost-of-living bonus was introduced to compensate for cost-of-living increases. In December, 1943, a policy of revised wage control and a new labour code by which the cost-of-living bonus was to be absorbed into basic pay rates was announced. Further bonus increases will not be made, but in the event of an appreciable change in living costs, there will be a general review of the Government's stabilization policy. A floor under farm prices was also assured. (See p. xlii.)

During 1943 the national income rose to a new high of \$8,000,000,000, an increase of 17·3 p.c. over 1942. At the same time the cost-of-living index was kept to an almost stationary level. It rose only about 3 p.c. from the establishment of the price ceiling in December, 1941, to May, 1944. In the period between the outbreak of war and the introduction of price control it had increased 15 p.c.

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\* The purpose of this Introduction is to co-ordinate the picture of Canada's war effort, which is dealt with piecemeal in the chapter material following. It also brings that material up-to-date to the time of going to press. It has been built up from material supplied by the war-time and permanent Departments to which reference is made in the text.