

Section 2.—Economic Developments in Canada Since the Beginning of 1943*

When the history of the War has been written, Canada's economic contribution to the cause of the United Nations will be an outstanding feature. The Armed Forces of the United Nations fighting in many parts of the world have been furnished with much-needed munitions and war supplies by Canadian factories. The importance of this enormous flow of the tools of war has been heightened by the extraordinary demands of mechanized warfare which characterize the present struggle.

The problems imposed by the War have become increasingly important until to-day they dominate the Canadian economy. The achievement of Canada during the current period, on evidence that is accumulating from day to day, shows conclusively that the economic activities of the country have surpassed anything that would have been thought possible in pre-war days. The major barometers of economic well-being have all averaged higher than in any other period of Canadian history. Business operations in 1943 recorded a continuance of the upward trend although the pace slackened in comparison with the rapid advance of 1942.

The marked increase in the national income since the pre-war period has been to some extent a result of the higher prices of war-time but after making full allowance for this factor, the accomplishment during 1943 remains an epoch-making achievement, especially considering the fact that the three-quarters of a million of the adult population who have been absorbed into the Armed Forces were withdrawn from productive operations in the ordinary sense of the term. Canadian production has been tied in closely with that of the United Nations and constant consultation enables standardization to be carried to previously unprecedented lengths. Despite this invaluable co-operation, however, two main problems have confronted authorities in keeping production at the required levels. The first is that of maintaining the labour supply in view of the needs of the Armed Forces: here women have applied themselves to war-time tasks and helped immeasurably. The second problem is related to the shortage of raw materials and equipment that has retarded industrial operations. Under the following headings developments in the more important branches of the national economy are brought up to date.

Agriculture.—Among the non-wage-earners of Canada the farmers constitute a class whose effort toward the supplying of the food needs of the United Nations has been well directed and splendidly fulfilled (see pp. 195-201). At the beginning of 1943, Canadian farmers were asked to increase their production of most foodstuffs, wheat being an exception. Continued expansion of domestic requirements in addition to substantial commitments to the United Kingdom and other United Nations meant that there was little likelihood of surplus production for any type of food. In attempting to meet these demands farmers found themselves short of manpower and equipment and as the season progressed weather conditions were far from favourable in many areas. Despite this handicap, however, the results achieved were remarkable and in most cases production objectives were reached. The unprecedented crops of 1942 contributed greatly in solving the feeding problems of the war-time period.

Minerals.—Mineral production has been affected in the current period by the shortage of labour and other difficulties arising from war conditions. The output was valued at \$524,400,000 in 1943 compared with \$566,800,000 in the preceding year. The falling off, however, was entirely accounted for by the drop of nearly

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