

have much effect on current revenues since, for the most part, they consist of the removal of taxes designed to restrict civilian production and consumption rather than to raise money, but it is expected that they will be of material help to industry in scheduling future production. Between Apr. 23 and May 12, 1945, \$1,568,927,350 was raised for the Eighth Victory Loan from 3,178,275 subscriptions; the objective was \$1,350,000,000.

Wartime Control of Foreign Exchange.—The restrictions on the use of foreign exchange have continued in effect very much as described at pp. xxxiii and xxiv of the 1942 Year Book, though some further relaxation has been possible. There has been a further moderation of travel regulations, so that funds are available for practically all normal travel, and the prohibitions or restrictions imposed on imports under the War Exchange Conservation Act have been removed.

The Department of Munitions and Supply.—An account of the establishment and the administrative functions of the Department of Munitions and Supply appears in the Miscellaneous Administration Chapter of the 1942 Year Book, at pp. 942-943.

The Department was organized in order to centralize all purchasing functions on behalf of the Armed Forces, except for certain construction and like facilities, for which contracts continued to be let directly by other Departments, such as Transport, National Defence and Public Works. The Minister is empowered to examine into and to organize, mobilize, and conserve the resources of Canada for the purpose of furnishing munitions of war and supplies.

The Department does all the essential purchasing for the Canadian Armed Forces, as well as for the British Commonwealth Air Training Plan, the United Kingdom Technical Mission, the British Admiralty Technical Mission, and the governments of the Allied Nations. Through a system of Controllers* for coal, rubber, aircraft, oil, timber, steel, machine tools, power, metals, motor-vehicles, ship repairs and salvage, construction, transit, and chemicals, it has maintained a strict supervision over certain industries. The Controllers are organized into a Wartime Industries Control Board which acts as a mutual consultative agency and maintains direct liaison with the Wartime Prices and Trade Board for the co-ordination of orders affecting the several industries.

The need to extend and create new industrial facilities in Canada for purposes of war production led to the development of an extensive program of capital assistance to industry by the Government of Canada. Plants were built and machine tools purchased with Government funds, but in most cases, the operation of such new facilities was left to private interests under specified conditions and subject to the Department's supervision, ownership being retained by the Government. Moreover, the Canadian Government set up wholly owned Crown companies for the manufacture of small arms, precision instruments, synthetic rubber, ships and other war supplies, and other such companies to engage in special purchasing and supervisory functions.

The task of providing for the manufacture of modern mechanized equipment involved not only the expansion of production familiar to Canadian industry but also the production of equipment never before manufactured in Canada. The list of these items is impressive and includes war vessels, tanks, field, naval and anti-aircraft guns and equipment, precision instruments for anti-submarine and anti-

* These are dealt with in detail in the appropriate chapters of this volume; see the various sections under "Controls" in the Index.