

economic and material collaboration between the United States and Canada, Joint Economic Committees were set up to investigate and report on joint wartime economic problems not being currently studied by other agencies, as well as on problems of post-war adjustment. Development of other agencies of co-ordination made the continued operation of these committees unnecessary, and they were dissolved in March, 1944.

Early in 1945 the President of the United States and Prime Ministers of the United Kingdom and Canada announced their decision to maintain the Combined Production and Resources Board, the Combined Raw Materials Board and the Combined Food Board until the end of the Japanese War. Even though many materials and products will be in easier supply later, the continuing function of the Combined Boards will be to co-ordinate the war effort of the member countries and of the other United Nations in the production, allocation and supply of raw materials, foodstuffs and other products which require combined planning in order to meet military and essential civilian requirements. In many cases the Boards consult with other United Nations and with UNRRA before making recommendations. Canada is the only third nation represented on any of these United States-United Kingdom combined boards.

New agencies set up during the past three years have been established not only to deal with the wartime situation but also to lay the foundations for handling post-war problems, especially those in connection with the transition period between war and peace.

Questions of post-war traffic have been considered during the past two years. An Interdepartmental Committee on Air Transport Policy was set up in June, 1943, to work on recommendations leading to a draft international air transport convention presented by Canada as a basis for bilateral air talks between the United Kingdom and the United States. In July, 1944, an Air Transport Board was established. It functions as a regulatory and advisory body to regulate civil aviation and advise the Government in laying out Canadian-operated routes within Canada and overseas. The United States and Canada concluded a new Agreement regarding civil air routes connecting the two countries in February, 1945. Under terms of the Agreement, pending the coming into force of the International Air Services Transit Agreement (Chicago, Dec. 7, 1944), aircraft of either country may use all airway facilities in the other country along the routes they are now flying, including the right to fly across its territory without landing and the right to land for non-traffic purposes.

Section 2.—Economic Developments in Canada Since January, 1945*

Economic conditions were maintained at a relatively stable but high level in Canada during the first six months of 1945. The achievement of less than twelve millions of people in meeting the challenge of war during the latest six years has been outstanding. Even the most optimistic of observers could not have foreseen at the outbreak of war the magnitude of the Canadian industrial effort.

The advance in the national income, so much in evidence during more than five years of war, was curbed during 1945. The production of steel, indicating the

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