

**Electric Power.**—Production of primary electric power which had reached a maximum during 1944 showed recession in the first half of the present year. The output in 1944 was about 40,000,000,000 kwh. and the consumption of firm power surpassed all previous experience. Following the outbreak of war, all available power was speedily absorbed and a prompt realignment of the distribution was the first step toward providing the necessary energy for the varied activities of munitions production. As speedily as possible, new units were added to generating stations not fully installed and the construction of new developments commenced and rushed to completion, resulting in the addition of two million horsepower during the war years. Power demands for war purposes passed their peak in 1944, resulting in the virtual cessation of construction of new power projects and a limited relaxation of restrictions on the uses of power for domestic, commercial and industrial needs. (See also Chapter XIII, pp. 331-362.)

The net increase in hydro-electric facilities during 1944 was only 69,000 h.p. and no large power projects were under construction during 1945. The installation at the beginning of the year was 10,283,000 h.p. leaving about 80 p.c. of the country's water power resources available for future development as demand arises. Production of primary power in the first half of 1945 was 17,100,000,000 kwh. compared with 18,800,000,000 kwh. in the same period of 1944.

**Manufacturing.**—The impact of war has revolutionized the industrial life of the Dominion. The War of 1914-18 called upon Canada to build an industrial machine that subsequently gave this country a leading place in world commerce: the enlarged scope of industrial operations occasioned by the war demands of recent years will have an even greater influence. (See pp. 363-381 of Chapter XIV on Manufactures.) The magnitude of the transformation from September, 1939, is indicated by commitments to the end of May, 1945, of about \$10,900,000,000 by the Munitions Department alone.

A major factor in the levelling off of industrial production during the first half of 1945 was the decline in war production. A recession was shown in 1944 from the level of the preceding year and the decline was extended with the defeat of Germany. Shortages of labour and raw materials and other difficulties have limited and will continue to limit resumption of suspended production of civilian goods despite lifting of many wartime controls.

The index of employment in manufacturing plants showed a decline of 5.7 p.c. for the first half of 1945 compared with the same period of 1944: volume of production dropped 11 p.c. The first appreciable downturn of the war period took place during the six months, mainly through a marked decline in the iron and steel fabricating section of war industries which was not offset to any great extent by an increase in other groups.

**Transportation.**—The railways have been called upon to sustain without appreciable easement the tremendous effort which abnormal military and other wartime necessities placed upon them. (See pp. 648-651 of Chapter XVIII on Transportation and Communications.) The repatriation of personnel of the Armed Forces from Europe has taxed the passenger traffic facilities to the utmost. Combined gross earnings of the two large railways recorded a new high point in the first half of 1945, the increase over the preceding year being of slight proportions. The total was \$368,600,000, which may be compared with the pre-war revenue of \$149,500,000 received during the first half of 1939.