

Canadian effort. Shipbuilding construction alone during the War of 1914-18 amounted to \$35,000,000 in 1917, \$75,000,000 in 1918 and \$86,000,000 in 1919. In the same three years, employees in the shipbuilding industry numbered 12,000, 22,000 and 25,000, respectively.

Canada's effort in the present war has brought manufacturing production to a much higher level than ever before. The output of manufactured products in 1943 amounted to \$8,732,860,999 which represents an increase of 151·3 p.c. over the pre-war year of 1939, and an increase of 124·9 p.c. compared with the pre-war maximum attained in 1929. Great though the advance was up to the end of 1942, covered by the detailed statistics of this Chapter, the output of manufactured products had not then reached its peak. The urgent needs of Allied Nations assures the continuation of large-scale production as long as the War lasts. There is little doubt that the diversified development which has taken place during the war years will have a permanent effect on Canadian manufacturing production after the War. Undoubtedly, the effects of the thorough-going transformation in industrial production will be far-reaching and will complicate the post-war readjustment in industry.

The following special article reviews the developments that have taken place and the system of controls that have been imposed.

CHANGES IN CANADIAN MANUFACTURING PRODUCTION FROM PEACE TO WAR 1939-44*

NOTE.—The following article describes the development of Canada's war industries and the activities of the Department of Munitions and Supply. It does not deal with those manufacturing industries which produce mainly, civilian goods—textiles, pulp and paper products, processed foods, wood products and others. Wartime controls in these industries are administered by the Wartime Prices and Trade Board, whose activities in controlling prices and civilian supplies are described in Chapter XXIII (see Index).

Even before the outbreak of war in 1939 Canada was the second largest manufacturing country in the British Empire and her vast natural resources of land, forests and minerals, together with ample supplies of conveniently located hydro-electric energy available at low cost, were important factors that enabled her to compete in world markets.

Canada's status as a manufacturing country may be said to have been definitely established during the War of 1914-18. Previous to 1914 Canada was mainly an agricultural nation and a primary producer, and what manufactures existed were very much closer to the primary industries than they are to-day. During the War of 1914-18, besides being the outstanding contributor of food products, this country played a noteworthy role in the production of munitions, in shipbuilding, in aeroplane construction and many other lines. Factory methods became more specialized, and a high degree of administrative and mechanical efficiency was attained; these under the competitive conditions of the post-war years were further improved. From 1914 to 1918 Canada mobilized about 10 p.c. of her economic resources for war. In the peak war production year 1943, about

* The production data and many of the statistical statements appearing in this article have been worked up from material published from time to time by the Department of Munitions and Supply. Later statistics have been added and the article finally revised by that Department.