

INTRODUCTION

This introduction serves both to give a summary review of the current situation in such a way as to present a general picture of the various parts of the economy of the country and to bring up to date statistics in certain chapters which, because of the need for sending them to press early in the year, are behind hand in their relation to other statistics given towards the end of the book.

Since the end of the War, the domestic picture has been both a challenging and difficult one for business. Selective decontrol as production of consumer goods increased (see Chapter XXIV) has been followed by upward price adjustments. This was to be expected as Government subsidies were withdrawn. However, during 1946 the situation was aggravated by labour troubles of considerable severity for pivotal industries. Disruption of production due to serious strikes occurred, for instance, in the automobile, logging, rubber, steel, electrical apparatus, textiles, coal, base metals and shipping industries, as well as many subsidiary activities. Maladjustment in the supply of materials, especially in the construction industries, resulted: this together with the dislocation of cost-price relationships had an adverse effect so that expected production, which would normally have acted as a counterpoise to rising prices, did not materialize. Many goods and commodities are still (September, 1947) difficult to obtain. The price structure is in places out of balance and in need of adjustment in relation to other economic factors. Nevertheless, in the face of all these difficulties prices have been kept within reasonable bounds and despite the gradual withdrawal of the energizing force funnelled into industry between 1939 and 1945 by Government funds, production has been sufficient to dull the edge of demand. Business has now definitely entered a more selective and competitive phase than at any time since 1939.

Among the more important factors indicating the basic strength of the domestic business situation are: the very strong financial position shown by many companies for the first post-war year; the high activity in the heavy industries, the excellent production and profit record of the pulp and paper and other forest products industries; the sound position of agriculture and the continued prosperity of farmers generally; and the high average pay of industrial workers. All these are influences that point to sustained prosperous conditions if only the international situation can be composed and trade re-established on something like normal lines. A particularly bright spot in the economic picture is the forest products industries. Lumber and pulp and paper are in great demand and this situation promises to continue for some time to come. A heavy responsibility rests upon the Provincial and Federal Governments to see to it that undue depletion of forest resources is not permitted. Fortunately, there is evidence that the authorities are alive to the implications. When it is realized that insect pests and fire actually destroy