

uncertainties in regard to foreign currencies and exchange controls. The rapid deterioration in Britain's supply of United States dollars, coupled with the failure of European production to expand more rapidly, has made the current situation extremely uncertain. Prospects for the next few years hinge heavily on the rate at which production in European and other countries recovers and this in turn is closely tied up with the amount of aid which may be forthcoming under the Marshall Plan.

Thus our post-war position, although by and large that of a creditor nation, is not without anxiety and depends on the discovery of some formula in the relatively near future whereby collective and competitive factors may be brought into play. Lend-Lease and Mutual Aid were replaced after the War by assistance given to Europe through the machinery of UNRRA. This organization, in turn, has lately terminated its work. It was never intended to be more than a short-range assistance plan until more lasting arrangements could be brought about and, if UNRRA has not fulfilled its first promise of achieving economic recovery for Europe, it has at least avoided collapse. Yet the need for help exists to an extent as great as ever and must be met without loss of time if the interests of all countries, including Canada, are to be best served.

The following paragraphs bring up to date under the various headings the statistics of the national economy and are intended as an Economic Review of the period 1946-47

**Employment.**—When the War ended in August, 1945, Canada was faced with the task of changing over suddenly from a wartime to a peacetime basis. Industries engaged in war production had to reconvert their plants and this meant releasing workers until the necessary changes in tools and equipment could be made. In some industries such as aircraft, shipbuilding and the munitions industries many plants were closed down completely and the workers had to seek employment elsewhere. Other new entrants to the labour market arose with the large scale demobilization of armed service personnel which in about a year and a half after the War's end added almost 700,000 to the civilian population, the majority of them returning to civilian employment. A number of factors made it possible for the economy to provide employment for these workers with sufficient ease to avoid the development of serious unemployment. To begin with, from 300,000 to 400,000 persons, many of them women, withdrew from the labour market shortly after the War's end. In addition, many industries which had been short of labour during the War began to expand their employment as soon as more labour became available. This helped to take up slack until plants were ready to start producing on a peacetime basis. The most notable expansions occurred in the construction industry and some of the related material industries, in the telephone industry and in the manufacturing of furniture, farm implements and newsprint. By the middle of 1947 unemployment had fallen to about 90,000, less than 2 p.c. of the total labour force and a near minimum level. At the same time the civilian labour force was nearing the 5,000,000 level and total civilian employment was estimated at about