

End of the war against Germany has not greatly affected the schedule for \$155,000,000 worth of instruments and signals devices. (A peak of approximately \$215,000,000 was reached in 1944). More than 75% of this year's production is to go to Canada's allies, the balance for Canadian requirements. Although the program has been materially cut, it is still far above Canada's former annual peacetime production of \$15,000,000 worth of corresponding devices.

Export of explosives and chemicals will continue in certain lines, but the United Nations' requirements for military explosives will fall off sharply during 1945.

GUN AND SMALL ARMS AMMUNITION

The biggest industrial cutback will be in the field of gun ammunition which has declined sharply. Production of small arms ammunition, only recently at an all-time peak, will continue at a very much reduced scale to supply the demands of the Japanese war.

GENERAL SUPPLIES

Large numbers of uniforms and other items of personal equipment will still be required by the armed services, since these stores have been wearing out very quickly under battle conditions, but certain decreases can be expected from now on.

Items such as fuel, hardware, barrack stores and thousands of other articles needed by the armed services will continue, but quantities required will decrease with the smaller size of the Pacific contingents.

RAW AND SEMI-PROCESSED MATERIALS

Continuing war demands as well as essential civilian needs will keep production of such products as timber, newsprint, synthetic rubber, steel, non-ferrous metals, minerals at a very high level.

WARTIME CONTROLS

Closely linked with war production is the entire system of controls on prices, raw materials and manufactures. While the end of the war in Europe has brought about a lessening of controls in many instances, in no case will there be any relaxation which will hinder production for the Japanese war.

Prime Minister King announced on May 21 that Canada and the United States had arranged to co-operate closely in dealing with the problems of transition from war to peace. One of the major problems is conversion of industry to peacetime uses while at the same time maintaining vigorous prosecution of the war against Japan. Mr. King said:

"Priority ratings will be applied by the United States to Canadian reconversion requirements in that country on lines as closely parallel to those applied by the United States government to United States domestic requirements as is practicable. The Canadian controls on materials and supplies will be operated so as to give effect to the same principle in respect of United States requirements from Canada."

Every effort is being made to relax and revoke regulations covering production and distribution in both countries on parallel lines, but differing conditions will not make this possible in all cases. Wherever scarcity threatens the continuing war program, commitments for the needs of liberated countries or essential civilian supply, controls will continue to be operated