

Among the steps which have been taken by the Government in different instances to maintain ceiling prices in Canada in the face of such unavoidable cost increases are the following:

1. The adoption of standardization, simplification, and other measures to effect cost economies.
2. Arranging for the industry concerned to absorb the rise by sharing the "squeeze" between manufacturers and distributors.
3. The removal or reduction of duties and taxes on certain imports.
4. The payment of subsidies or government bulk purchase of certain products which are then sold through normal channels of trade at prices commensurate with the retail price ceiling.

Where absorption of all the increased cost within the trade is impossible, the government may pay a subsidy in order to maintain the Canadian ceiling price. In general, import subsidies are based on the difference between the current higher cost to the importer and the cost in the basic period in 1941 of similar goods. Certain fruits, grains, chemicals, drugs, agricultural implements, textiles, and many other articles are among those on which import subsidies have been paid.

Subsidies are also paid on certain domestic goods where it is necessary to maintain the supply at the ceiling price level. These are goods such as: canned fruit and vegetables, coal, milk, and also some meats, fruits, vegetables, lumber and groceries.

The careful use of subsidies has been continuously extended to take care of unavoidable increases in costs, but the costs of subsidies were less than originally anticipated. The total of import and domestic subsidies paid by the Wartime Prices and Trade Board from December 1, 1941, to December 31, 1943, was \$115,378,235.57. In addition to this figure, the Department of Agriculture also pays certain subsidies to the producer. For 1942 and 1943, the estimated amount was \$144,723,778.00.

In 1939 about 4,000,000 Canadians were gainfully occupied, and at least 300,000 who were available for work were not employed. By the end of 1943, the gainfully-occupied population had risen to approximately 5,100,000. About 1,900,000 of these were engaged in the armed forces, in supplying the weapons of war or in producing the food required for special wartime exports. The number available to meet civilian needs therefore had fallen to about 3,200,000.

The munitions industry at its peak employed more than 1,000,000 persons (including 800,000 directly engaged in the manufacture of war equipment). Of the total over 260,000 were women, (or one person in four). The increasing number of women in industry is shown by the following figures:

One woman in every 186 was employed in industry at December, 1940	
One " " " 70 " " " " " " 1941	
One " " " 30 " " " " " " 1942	
One " " " 24 " " " " " " 1943	