

followed a year of steadily rising production, of objectives reached and passed in the face of perils, problems and confusion. The year 1943 recorded an output so heavy that industrial capacity and manpower were strained to the limit, employment reached an all-time high even though, under the altered tide of war, shifts and changes had to be made in the production flood."

These changes are reflected in the trade returns. In 1943 Canada's total foreign trade almost reached the unprecedented figure of \$5,000,000,000. This brought it to the rank of the third largest trading nation in the world, although its population is only half of 1% of the world's total. In the year immediately preceding the present war, Canada had ranked second in the value of its exports per capita, with New Zealand first.

In 1943, Canada's export trade amounted to \$3,001,352,279. This was more than double the figure for any other year in its history, two and one half times greater than any year in World War I and three times greater than in 1939. The curve is still rising, trade for 1944 already has made an impressive showing. For the first nine months of 1944 exports (excluding gold) stood at \$2,577,026,702 as against \$2,137,101,880 for the same period in 1943.

Canada has always depended vitally on its export trade, for it normally derives one-third of its national income from it. In 1943 Canada's national income was estimated at \$8,724,000,000, of which its external trade made up \$3,000,000,000 or more than 34%. No other major trading nation depends so much on exports for its prosperity as does Canada. In the three years before the war the United States exported less than 7% of its total production, and the United Kingdom only 20% of its.

In order to promote Canada's vital exports in every way, an External Trade Advisory Committee was set up in May, 1944, to co-ordinate the activities of various government departments on matters affecting trade. This committee deals with wartime problems, such as the availability of supplies which may be made into products for export. It is composed of representatives of the Departments of Trade and Commerce, External Affairs, Foreign Exchange Control Board, Agriculture, Finance, Labour, National Revenue, Munitions and Supplies, Mutual Aid Board, as well as the Wartime Prices and Trade Board.

Possibly four-fifths of Canada's present foreign trade is of a wholly wartime character. Actually in the year 1943, 75% of all exports were declared as war materials. Prior to 1914 a large proportion of Canada's exports was raw or only semi-manufactured goods. Today, as was the case in World War I, the bulk again is fully finished war materials and foodstuffs. Their destination is significant:

United States	39%
United Kingdom	34%
British Commonwealth	13%
Other Countries	14%

Thus to an extent never before experienced, Canada has found markets overseas for the products of its agriculture, its industry in all branches, its mines, forests and fisheries. It is manufacturing goods and equipment never attempted before. This has meant a tremendous increase in productive capacity. The achievement of its manufacturing industries in turning out the huge quantities of equipment and supplies needed for war purposes, in addition to supplying the greatly expanded demands of the civilian population, is best illustrated by a comparison of their 1943 operations with those for 1939. It is thus seen that the number of employees increased by 92%, while the gross value of production was 140% higher. It is also estimated that the physical volume of production has nearly doubled.