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## CANADA

The Dominion of Canada covers an area of 3,694,863 square miles and extends over the whole northern half of the North American continent, with the exception of Alaska to the northwest and Labrador to the northeast. Divided from the United States by the 49th parallel of latitude in the west, the Great Lakes and St. Lawrence River in the centre, the 45th parallel (except for the northern hump of Maine) in the east, the southernmost point in Canada is Middle Island, Lake Erie, at 41° 41'. Across Canadian territory lie the shortest air routes from the United States to Europe and Asia, and directly across the pole is Russia.

Canada is the third largest country in the world, smaller only than Russia and China. It is one-fifth larger than the United States, or about the same size as the United States and Alaska, and it constitutes 27% of the total area of the British Commonwealth of Nations.

About 65% of Canada, however, is covered by the Laurentian, or Canadian, Shield - a vast area of ancient rocks, bush, and swamp surrounding Hudson Bay and frozen solid for a good part of the year. Although almost useless agriculturally, its vast natural resources, especially in minerals and hydro-electric power, are still in the early stages of development.

The nine provinces of Canada may be divided into four geographical sections:

- 1) The Maritime Provinces (Prince Edward Island, Nova Scotia, and New Brunswick) -- a geographic continuation of the United States Atlantic seaboard states, possessing the only Canadian Atlantic ports open the year around, and depending mainly on lumbering, coal mining, fishing and mixed farming.
- 2) Central Canada (Quebec and Ontario) -- the Laurentian Shield in the north, rich agricultural lands and a concentration of industry in the southern Great Lakes and St. Lawrence River region.
- 3) The Prairie Provinces (Manitoba, Saskatchewan, and Alberta) -- formerly used almost entirely for wheat production, now supporting mixed farming, livestock raising, and the production of oil and coal.
- 4) The West Coast (British Columbia) -- separated from the rest of Canada by the Rocky Mountains and predominantly mountainous, with salmon fishing, fruit raising, and lumbering among the main industries.

In addition to the nine provinces, there are two "territories" - the Yukon and the Northwest Territories, both lying north of the 60th parallel of latitude. Covering over 41% of the area of Canada, the resources of these territories are administered by the Department of Mines and Resources.



Canada's natural divisions run north and south but the vast St. Lawrence River and Great Lakes system cuts 1,900 miles into the heart of the country, providing the strongest link between the west and east. Hudson Bay, a great sea 590 miles wide and 1,300 miles long (including James Bay) cuts down through the Laurentian Shield into Quebec and Ontario. Although the mighty rivers of the west empty into it and it has several natural harbours, this northern route to Europe is only navigable for from three to five months of the year.

The most recent Canadian census, taken in 1941, recorded Canada's population as 11,506,655 -- less than that of New York State. This figure represents a growth, however, of 8,000,000 in the last 70 years. About 90% of the people live within 200 miles and 50% within 100 miles of the United States border. Montreal is its largest city, with a population of 1,139,921.

The largest racial groups in Canada's population are as follows:

British (English, Scottish, Irish)	5,715,904
French	3,483,038
German	464,682
Ukrainian	305,929
Scandinavian	244,603

While people of British stock are spread all over Canada, the French have concentrated in Quebec, with considerable French-Canadian settlements in Manitoba, around Winnipeg, and in northern and eastern Ontario. A census of the French colony in 1754 showed a population of 55,009; this group has grown to nearly three and a half millions, or about 30% of the population of Canada. With their own language, Church, and -- in Quebec -- their own laws and educational system, the French Canadians have maintained intact their own way of life.

The other ethnic groups, though tending to settle in their own communities, mainly in the prairie provinces, are gradually being assimilated into English-speaking Canada.

The first settlers in Canada, excluding the Indians, were the French who came originally as fishermen and founded colonies on the Atlantic coast and along the St. Lawrence River at the beginning of the seventeenth century. Through their activity as fur traders they began the opening up of Canada. English settlements later in the century tended to centre along the Atlantic seaboard to the south. But as the English also established trading posts farther into the interior, they came into a series of conflicts with the French which culminated in the Seven Years' War.

With the Treaty of Paris in 1763, French ascendancy in the new world was at an end and their North American settlements fell under British rule. Only 11 years later, England guaranteed the French way of life and enabled French Canada to preserve its customs and its unity by passing the Quebec Act which has been called the French-Canadian "Bill of Rights." Mainly as a result of this Act, the French refused to join the 13 colonies in the American War of Independence.

The influx of British settlers (the United Empire Loyalists) across the border after this war changed the whole future of Canada. Settling mostly along the St. Lawrence in what is now Ontario, and in the Maritimes, they began turning Canada into a multi-national and bi-lingual country. With them they brought their belief in representative government and other British institutions. After the turn of the century, immigrants

Canada's natural divisions run north and south but the vast St. Lawrence River and Great Lakes system cuts 1,200 miles into the heart of the country, providing the strongest link between the west and east. Hudson Bay, a narrow 200-mile wide and 1,200-mile long (including James Bay) outlet from the west, the Laurentian Shield into Quebec and Ontario. Although the heavy rivers of the west empty into it and it has several natural harbors, this northern route to Europe is only navigable for from three to five months of the year.

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The largest racial groups in Canada's population are as follows:

5,713,304	British (English, Scottish, Irish)
3,488,088	French
484,682	German
308,982	Ukrainian
244,602	Scandinavian

White people of British stock are spread all over Canada, the French have concentrated in Quebec, with considerable French-Canadian settlements in Manitoba, around Winnipeg, and in northern and eastern Ontario. A census of the French colony in 1794 showed a population of 22,000; this group has grown to nearly three and a half million, or about 30% of the population of Canada. With their own language, Church, and -- in Quebec -- their own laws and educational system, the French Canadians have maintained intact their own way of life.

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from Ireland, Scotland and England flocked into Canada, helping to push back the frontiers and develop new settlements. In 1824 the population of British North America (excluding Newfoundland) was 900,000. By 1861 the population of the four separate colonies which had emerged was over 3,170,300.

These four -- Upper Canada (Ontario), Lower Canada (Quebec), Nova Scotia, and New Brunswick, each with its own system of parliamentary government -- were drawn together in making plans for union or confederation for a variety of reasons: certain difficulties had arisen in the functioning of the political system; the need for a common plan of defence was felt; the development of trade made some kind of inter-colonial organization desirable; and, in the minds of the leaders at least, there was the idea of laying the foundation for a nation that would stretch from sea to sea, taking in the whole territory to the west of the Great Lakes.

July 1, 1867, was proclaimed the birthday of the Dominion of Canada. Confederation inaugurated an era of expansion and tremendous development. The Canadian Pacific Railway linking the Atlantic and Pacific coasts made possible the settling of the west, and helped to unite the nine provinces in one vast country. With the maximum encouragement from the railways and the government, immigrants not only from the British Isles but from all parts of Europe poured into Canada. Some settled in the great agricultural lands of the west, turning them into one of the world's leading granaries; some brought their skills to the urban centres of the east and played their part in the growing industrialization of the central section of the country. Between 1871 and 1911 the population doubled.

Problems of assimilation and internal development still abounded but, with the achievement of self-government and union, Canada could turn to external relations with the Empire and the world and to the development of its nationhood. Fighting side by side with Britain in the First World War, Canada was none the less anxious to speak for itself in international matters, and demanded -- and obtained -- a separate seat at the peace conference and in the League of Nations.

The logical outcome of the growing importance and independence of the Dominion in world affairs was reached in the enactment of the Statute of Westminster, in 1931. This gave statutory effect to the Declaration made at an Imperial Conference held in 1926, that the various members of the British Commonwealth of Nations were "autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs". They are united only by a common allegiance to the Crown.

Free to make treaties and trade agreements, free to declare war or stay at peace, Canada can be as independent of Britain as it chooses. Canada, like the other dominions, has a separate system of diplomatic representation. When the Second World War broke out, Canada declared war on its own behalf, seven days after the United Kingdom's declaration. With rapid rise to international importance and advance to the position of fourth largest exporter in the world, Canada is now recognized by other nations as a country in its own right.

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Upper Canada (Ontario), Lower Canada (Quebec), New Brunswick, and New Brunswick, each with its own system of parliamentary government -- were drawn together in making plans for union or confederation for a variety of reasons: certain difficulties had arisen in the functioning of the political system; the need for a common plan of defence was felt; the development of trade along some kind of inter-colonial organization desired; and, in the minds of the leaders at least, there was the idea of laying the foundation for a nation that would stretch from sea to sea, taking in the whole territory of the Great Lakes.

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Problems of assimilation and internal development, along with the achievement of self-government and union, Canada soon turned to external relations with the Empire and the world and to the development of its nationhood. Fighting side by side with Britain in the First World War, Canada was now the last nation to speak for itself in international matters, and demanded -- and obtained -- representation at the Peace Conference and in the League of Nations.

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Free to make treaties and trade agreements, free to declare war or stay at peace, Canada can be no longer regarded as a mere province of the British Empire. Like the other dominions, she has a separate system of diplomatic representation. When the Second World War broke out Canada declared war on its own behalf, even before the United Kingdom's declaration. With world-wide international importance and advance to the position of fourth largest exporter in the world, Canada is now recognized by other nations as a country in its own right.

In so far as Canada has a written constitution, that document is the British North America Act, 1867, with subsequent amendments. A large part of Canadian constitutional practice is, however, unwritten and must therefore be interpreted from historical precedent and common procedure.

The titular head of government is the King, represented by the person of the Governor-General, who retains certain official functions. Parliament consists of two chambers, a Senate of which the members are appointees for life, and a House of Commons to which the members are elected by popular ballot.

Unlike the practice of the United States, where the President is elected as such, the Prime Minister in Canada assumes his portfolio indirectly, as the leader of the political party with the majority support in the House of Commons.

Cabinet Ministers, as well as the Prime Minister, are elected by popular ballot and hold seats in the House of Commons as individual constituency members. The Cabinet is therefore responsible as a body to the House of Commons, and its members, as individual representatives to the constituencies they represent.

The legislative body of the government is the House of Commons, with a present membership of 245 elected by popular vote. The Province of Quebec has a fixed representation of 65 seats with the other provinces represented according to their population in relation to that of Quebec. The House is elected for a maximum period of five years, but may be dissolved at any time by the Governor-General at the request of the Prime Minister. The Senate has a fixed number of 96 members appointed for life on the recommendation of the Government.

Every bill must be passed by both chambers before it becomes law and the Senate has the theoretical power of veto. In practice, however, the Senate's functions are largely the important ones of criticism and scrupulous study of any legislation passed by the House of Commons.

As laid down in the British North America Act, the powers of government in Canada are divided between the federal government, and the provinces. Each province has its own legislative body which is unicameral, with the exception of Quebec. Matters that can be described as of local interest, such as education, health, property and civil rights and municipal institutions are under provincial jurisdiction. Matters affecting the country as a whole, such as trade and commerce, defence, banking, post office, currency, railways and navigation are assigned to the Dominion.

Under the War Measures Act, the federal government assumed wide powers for the prosecution of the war, subject to the control of Parliament. The Act has been extensively used in organizing the military and economic sides of the war effort.

Since the war, the federal government has intervened in some provincial matters, including the control of wages and working conditions and price fixing. The provinces have also handed over to the Dominion the sole right to collect income taxes during the war, with the stipulation that a portion be allotted back to them as compensation for their loss of revenue.

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The legislative body of the government is the House of Commons, with a present membership of 245, elected by popular vote. The House of Commons has a fixed representation of 50 seats with the other provinces represented according to their population in relation to that of Quebec. The House is elected for a maximum period of five years, but may be dissolved at any time by the Governor-General at the request of the Prime Minister. The Senate has a fixed number of 24 members appointed for life on the recommendation of the government.

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The federal government has also assumed certain powers in the field of social services, such as the provision of unemployment benefits, old age pensions, and the operation of the National War Reliefs Commission. These measures have been taken to meet the needs of the war and to provide for the welfare of the Canadian people.

THE ARMED  
FORCES

More than 35% of Canada's male population between the ages of 18 and 45 have joined the Canadian navy, army or air force since war began. Growth of the services in four years of war has been as follows:

(September)	1939	1940	1941	1942	1943
Navy	1,800	10,000	24,000	40,000	67,000
Army	4,500	155,000	230,000	350,000	460,000
Air Force	4,000	30,000	80,000	115,000	200,000
Total	10,300	195,000	334,000	505,000	727,000

Including members of the women's services, the strength of the armed forces in March, 1944, was:

Navy	more than	80,000
Army	more than	479,000
Air Force	more than	206,000
Total	more than	765,000

Enlistments of women in the armed forces have been as follows:

Women's Royal Canadian Naval Service.....	more than	4,672
Canadian Women's Army Corps.....	" "	17,006
Royal Canadian Air Force (Women's Division).....	" "	16,549
Nursing Services.....		3,216
Women doctors in the armed forces.....		40
Total.....	more than	41,483

NAVY

In this world war, as in the last, the Allies are fighting at the end of supply lines stretching across the world's widest water spaces. Keeping open the North Atlantic route, "the lifeline of Europe", has been of first importance. It is in the work of convoy protection and U.boat hunting that the Royal Canadian Navy has found its chief role.

Six days after the war started, the first Canadian convoy was escorted into the open Atlantic. Since that day, Canadians have escorted over 18,000 ships from North America to Europe - about 114,000,000 dead-weight tons of shipping - and about 10,000 ships from the United Kingdom to America. Another 20,000 ships in Canadian coastal convoys (going from one port to another on the North American continent) have been escorted almost entirely by ships of the Canadian navy.

After Japan's attack on Pearl Harbor, the United States' naval strength has been largely centred in the Pacific, with the result that the protection of the Atlantic routes has rested almost entirely on the United Kingdom and Canada. It has been estimated that escort vessels for trade convoys have been supplied in this percentage:

United Kingdom	51%
Canada	47%
United States	2%

In the last two years, Canadian convoy escort has sometimes risen as high as 48% and has never fallen below 40%.

Other tasks of the Canadian navy are to guard Canadian shores, to destroy or capture enemy merchant and fighting ships, and to assist in blockade operations.

More than 85% of Canada's male population between the ages of 18 and 45 have joined the Canadian navy, army or air force since war began. Growth of the services in four years of war has been as follows:

	1943	1942	1941	1940	1939 (September)
Navy	1,800	10,000	15,000	24,000	34,000
Air Force	4,500	125,000	230,000	330,000	380,000
Army	4,000	80,000	118,000	178,000	200,000
Total	10,300	195,000	324,000	532,000	614,000

Including members of the women's services, the strength of the armed forces in March, 1944, was:

Total	more than 785,000
Air Force	more than 300,000
Army	more than 475,000
Navy	more than 80,000

Enlistments of women in the armed forces have been as follows:

Women's Royal Canadian Naval Service	more than 4,822
Canadian Women's Army Corps	17,008
Royal Canadian Air Force (Women's Division)	16,549
Nursing Services	2,218
Women's Royal Canadian Mounted Police	40
Total	more than 41,237

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Six days after the war started, the first Canadian convoy was escorted into the open Atlantic. Since that day, Canadians have escorted over 18,000 ships from North America to Europe - about 114,000 dead-weight tons of shipping - and about 10,000 ships from the United Kingdom to America. Another 80,000 ships in Canadian coastal convoys (going from one port to another on the North American continent) have been escorted almost entirely by ships of the Canadian navy.

After Japan's attack on Pearl Harbor, the United States' naval strength has been largely centered in the Pacific, with the result that the protection of the Atlantic routes has rested almost entirely on the United Kingdom and Canada. It has been estimated that about 70% of the world's convoys have been supplied in this hemisphere:

United States	3%
Canada	47%
United Kingdom	50%

In the last two years, Canadian convoy escort has sometimes risen as high as 45% and has never fallen below 40%.

Other tasks of the Canadian navy are to guard Canadian shores, to destroy or capture enemy merchant and fighting ships, and to assist in blockade operations.

Increase in personnel of the R.C.N. during the war (from about 1,800 in 1939 to over 80,000 men and women in 1944) has been paced by an increase in ships. From six combat ships at the beginning of the war, the Canadian navy has grown to 250; from seven auxiliary vessels, to 450. Thus there has been a 54-fold increase in number of ships.

Canada is now the third largest naval power among the United Nations. Canadian shipyards have concentrated on the production of small, sturdy ships, fast and manoeuvrable enough to elude enemy torpedoes and run down enemy submarines. Greatest strength of the Canadian navy lies in its corvettes; but the R.C.N. also sails frigates, fairmiles, minesweepers and destroyers built in Canadian yards.

To increase offensive strength, Canada is to have a flotilla of eight Tribal class destroyers, the largest, fastest and most powerful type of destroyer afloat. Four of these, built in British yards, are already in use and the other four are being built in Canada.

During April, 1944, a new Fleet class destroyer was acquired by the R.C.N.

Canadian ships have operated in many battle theatres, including the Atlantic Ocean, the North Pacific, the Mediterranean, the Caribbean and other special territories. Two complete landing-craft flotillas helped land the Eighth Army in Sicily. Late in 1943 a large number of Canadians arrived in the United Kingdom to man a Canadian motor gunboat flotilla to fight from United Kingdom shores with ships of the Royal Navy's famed "mosquito navy".

In addition to the Canadians on Canadian ships, thousands of R.C.N. personnel have been lent to the Royal Navy and have been fighting on British boats. They have been in service in every part of the world.

In line with the growing strength and expanding functions of the navy, in January Canada sent Vice-Admiral P.W. Nelles, chief of the naval staff, to the United Kingdom with the new rank of senior flag officer. This step followed the transfer overseas of the men who had held the posts of chief of staff in the other two services -- Lieutenant-General Kenneth Stuart, Chief of the Canadian General Staff, and Air Marshal L.S. Breadner, Chief of Air Staff. Thus the three men who had guided the building of the Canadian forces in Canada now represent their services overseas at a time when plans for the long-awaited invasion are being completed.

Canada also has its own merchant navy. Men of this un-uniformed service have maintained shipping lanes to the United Kingdom, shared in the evacuations of Dunkirk, Greece and Crete, aided in the establishment of beachheads in the Mediterranean area, and pushed through dangerous waters to Russia. Canada has 67 new freighters, all launched since the beginning of the war and manned by Canadian crews, and expects to add 30 more by August, 1944.

The first contingent of the Canadian Army arrived overseas in December, 1939, and other Canadian Army units have been building up Canadian armed strength in that theatre of war ever since. For several years the chief task of the Canadian Army Overseas was to defend the island of Great Britain from invasion and to train and prepare for action.

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Up to July, 1943, when the invasion of Sicily began, the best known operations in which the Canadian Army had taken part were at Hong Kong and Dieppe. The British-Canadian-United States force which landed in Sicily included the Canadian First Division and First Armored Brigade, both of whom were given a vital position in the line of battle. In the conquest of Sicily there were more than 2,400 Canadian casualties, of whom approximately 1,800 were wounded.

The Canadian Army Overseas has been available to be used, in whole or in part, as would best serve the allied cause. Today it finds itself on two fronts. In Italy its troops are in the thick of hard fighting; in the United Kingdom they are engaged in preparations for the invasion of northwestern Europe.

The Canadians in Italy form a self-contained corps with autonomy and self-dependence equivalent to the Canadian Corps in World War I. To this corps, which is a part of the British Eighth Army, are allotted two divisions, an armored formation and a proportion of army troops. Canadians have played an important part in the Adriatic coast campaign, spearheading the attack on the stronghold of Ortona at the end of 1943. A unit of Canadians is also with the Fifth Army in Italy and Canadians participated in the establishment of the Anzio beachhead.

The Canadian land forces in the United Kingdom will form part of the group of armies under the command of General Sir Bernard Montgomery when Europe is invaded from the west.

The army in Canada comprises general service personnel, available for service anywhere in the world, and troops called up under the National Resources Mobilization Act for compulsory service in Canada and its territorial waters. By order-in-council these men may be despatched to areas outside Canada. Such troops formed a large proportion of the Canadian contingent which joined United States forces in occupying Kiska.

Canadian soldiers have served in strategic defence areas in Newfoundland, Labrador, Iceland, Alaska, Gibraltar and islands adjacent to the West Indies and the east coast of the United States.

AIR FORCE

In four years of war the Royal Canadian Air Force has expanded from a force of little importance to the fourth greatest air power among the United Nations.

The R.C.A.F. has three objectives:

1. To administer the British Commonwealth Air Training Plan.
2. To maintain and supplement the air force overseas.
3. To provide for the aerial defence of Canada and to combat enemy submarines from the Atlantic and Pacific coasts.

#### British Commonwealth Air Training Plan

The British Commonwealth Air Training Plan is based on a proposal made on September 26, 1939, by the governments of Canada, Australia, New Zealand, and the United Kingdom to set up a common air-training system. The successful establishing and carrying out of this plan has been one of Canada's most important contributions to the war.

... the invasion of Italy... the Canadian Army Overseas... the invasion of Italy... the Canadian Army Overseas... the invasion of Italy... the Canadian Army Overseas...

The Canadians in Italy form a self-contained corps with autonomy and self-dependent equipment... the Canadian Corps in Italy... the Canadian Corps in Italy...

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British Commonwealth Air Training Plan

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Under the original agreement Canada was to pay more than \$600,000,000 of the total \$900,000,000 the Plan was to cost, and it was intended to continue only until March 31, 1943. The success of the undertaking prompted the participating countries to sign a new agreement on June 5, 1942, to extend its operation to March 31, 1945, and to enlarge it considerably.

Canada is paying half the estimated cost of \$1,500,000,000, and the United Kingdom is paying the remainder, less deductions representing payments by New Zealand and Australia for the cost of training air crew. The United Kingdom already has paid much of its share in the form of planes and other equipment needed for the great undertaking.

The Plan has produced more than 86,000 air crew graduates (of which 48,000 are Canadians) and 114,000 ground crew. In addition to Canadians, Australians, New Zealanders and Britons, men trained in Canada include Belgians, Czechs, Netherlanders, Newfoundlanders, Norwegians, Poles, men from the United States, and others. First graduates of the Plan went overseas in November, 1940. Over 11,000 training planes have flown 1,750,000,000 miles under the B.C.A.T.P.

#### R.C.A.F. Squadrons and Personnel Overseas

The first R.C.A.F. unit sent overseas was an army co-operation squadron which reached England in February, 1940. A fighter squadron arrived the next June, in time to help in the Battle of Britain. There are now 42 R.C.A.F. squadrons in actual operations, nearly all the air crew, commanding officers, and ground crew being Canadian. Entire cost of these squadrons is borne by Canada.

R.C.A.F. squadrons overseas operate under the direction of the Royal Air Force bomber command, coastal command, fighter command, allied expeditionary air force, Mediterranean command and Indian command. During 1943 these squadrons were grouped together within each command as far as their operational role permitted. As a result of this move, Canada has a bomber group, fighter wings, reconnaissance wing, and a number of auxiliary units.

Some idea of the activities of the R.C.A.F. squadrons is given by the following figures covering the period from January, 1943, to February, 1944:

Sorties flown	38,544
Operational hours flown	129,461
Tons of bombs dropped	21,990
Enemy aircraft destroyed	208
Enemy aircraft probably destroyed and damaged	162
Locomotives destroyed	150

Besides aircraft and locomotives, R.C.A.F. squadrons have destroyed enemy U-boats, merchant vessels, tugs, barges, military installations, motor vehicles, and transports of all kinds.

At the end of 1943, for every aircrew member of an R.C.A.F. squadron there were about 10 Canadians flying with the R.A.F. Canada is now, and has been for many months, the largest and principal producer of air crew for all Commonwealth forces. R.C.A.F. graduates make up considerably more than one-half the total of all air crew supplied by partners in the Commonwealth. From 22% to 25% of all the air crew in the European and Mediterranean areas under British tactical command are Canadian boys enlisted and trained in Canada, and the proportion is expected to increase to one-third.

Under the original agreement Canada was to pay more than \$800,000 of the total \$900,000,000 the plan was to cost, and it was intended to continue only until March 31, 1943. The success of the undertaking prompted the participating countries to sign a new agreement on June 7, 1942, to extend its operation to March 31, 1943, and to enlarge it considerably.

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The plan has produced more than 80,000 air crew graduates (of which 48,000 are Canadians) and 114,000 ground crew. In addition to Canadians, Australians, New Zealanders and Britons, men trained in Canada include Belgians, Czechs, Netherlands, Newfoundlanders, Norwegians, Poles, men from the United States, and others. First graduates of the plan went overseas in November, 1940. Over 11,000 training planes have flown 1,750,000 miles under the R.C.A.F.

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At the end of 1943, for every aircrew member of an R.C.A.F. squadron there were about 10 Canadians flying with the R.A.F. Canada is now, and has been for many months, the largest and primary producer of air crew for all Commonwealth forces. R.C.A.F. graduates make up considerably more than one-half the total of all air crew supplied by partners in the Commonwealth. From 224 to 224 of all the air crew in the European and Mediterranean areas under British tactical command are Canadian boys enlisted and trained in Canada, and the proportion is expected to increase to one-third.

Canadians on loan to R.A.F. squadrons have been in every sortie, raid and operation undertaken by the R.A.F. Approximately 45 % of the strength of the R.A.F. mechanics establishment is composed of radio mechanics enlisted and trained in Canada.

In addition to their activity over German and Axis-held territory in Europe, Canadians have participated in air attacks in many parts of the world. An R.C.A.F. bomber wing reinforced the bomber force in the Mediterranean area last spring and R.C.A.F. personnel took part in the North African campaign and the Battle of Malta. Canadians played a large role in the successful operation by transport aircraft and the third tactical air force in Burma which placed allied troops some 200 miles beyond the Japanese.

One of the most ambitious projects of the R.C.A.F. has been the formation of an overseas mail squadron which operates a 7,500-mile air line for Canada's three armed services, going from Canada to the United Kingdom and from there to the Mediterranean theatre.

#### R.C.A.F. In the Western Hemisphere

Almost as many squadrons were engaged in western hemisphere operations as there were R.C.A.F. squadrons overseas, but with the withdrawal of the Japanese from the Aleutians and the improvement in the U-boat war situation, several of these squadrons have been released for service overseas.

R.C.A.F. squadrons operating under American command took part in the Aleutians campaign. Other squadrons have patrolled Pacific sea lanes and fighters were poised for air attacks.

The R.C.A.F. took control of all flying on the northwest staging route -- the airway system from Edmonton to Alaska which was built largely by Canada and was ready for use when the United States declared war on Japan. Control towers are staffed by the R.C.A.F. and the R.C.A.F. is solely responsible for security on the route.

On the Atlantic coast the unrelenting hunt for submarines and the protection of troops and supplies have been the main jobs of R.C.A.F. squadrons operating from bases in Canada, Newfoundland and Labrador. Since the first U-boat attack by the R.C.A.F. in October, 1941, until the end of 1943, there were 63 attacks on enemy submarines, one-half being made in 1943. During the past year, however, no enemy submarine was sighted from Canadian coasts and no U-boat attacks were made in Canadian waters.

Canadian women are playing a vital part in the nation's war effort. Over 40,000 have donned uniforms to release men for action. One of every four persons employed in making munitions in Canada is a woman. On the farms, in business and industry, in increased governmental staffs and in the many organized voluntary services women have stepped into the breach caused by shortages of manpower.

An indication of the growing enlistment strength of Canadian women in the armed services is given in the following table:

One woman in every 1,250	had enlisted at December, 1941
One woman in every 134	had enlisted at December, 1942
One woman in every 66	had enlisted at December, 1943

The first women's service organized in this war was the Royal Canadian Air Force (Women's Division), established on July 2, 1941. It was also the first Canadian Women's service to send a contingent overseas. Its members are now stationed all across Canada, in the United Kingdom, Newfoundland, the United States, and the Bahamas.

WOMEN IN THE  
ARMED FORCES

Canadian operations have been in very active  
and operation undertaken by the R.C.A.F. approximately 25% of  
the strength of the R.C.A.F. establishment is composed of  
landed seafarers enlisted and trained in Canada.

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women have stepped into the breach caused by shortages of manpower.

An indication of the growing enlistment strength of Canadian  
women in the armed services is given in the following table:

One woman in every 1,200 had enlisted at December, 1941
One woman in every 100 had enlisted at December, 1942
One woman in every 66 had enlisted at December, 1943

The first woman's civilian organized service in the Royal  
Canadian Air Force (Women's Division), established on July 2, 1941.  
It was also the first Canadian woman's service to send a contingent overseas.  
The members are now stationed all across Canada, in the United Kingdom,  
Newfoundland, the United States, and the Bahamas.

The Canadian Women's Army Corps was established in August, 1941. C.W.A.C. personnel are serving in the United Kingdom, Newfoundland, and the United States.

Youngest of the three women's services, the Women's Royal Canadian Naval Service, was inaugurated in June, 1942. Canadian Wrens are serving at more than 30 naval bases, including Washington, Newfoundland, and the United Kingdom.

Canadian women in the nursing service have been sent not only to the United Kingdom but also to North Africa, Sicily, and Italy.

Before the Battle of France it was felt that Canada's industrial role in the war would be largely confined to the production of materials and equipment for its own troops and of limited quantities of aircraft and guns for the United Kingdom. However, the sharp increase not only in Canadian but in British orders which followed the fall of France turned Canada into one of the principal suppliers of war equipment for the United Nations. A vast expansion of industry was planned and carried out.

The Department of Munitions and Supply has awarded approximately \$9,450,000,000 of contracts. With a government expenditure of over \$850,000,000 in new plants and equipment, with war orders on hand totalling several hundred million dollars, with a large share of production commitments under Canada's Mutual Aid Plan, Canada remains one of the important cogs in the machinery of allied production. In proportion to its population, resources and productive facilities, Canada's industrial war effort is unexcelled by that of any other country.

An outline of Canada's war production is given in the following table:

	1942	1943	Total to March 1, 1944
Aircraft	3,811	4,133	11,390
Armored fighting vehicles	12,500	15,500	34,000
Mechanical transport	192,000 units	175,000 units	593,000 units
Artillery gun barrels, carriages and mountings	31,000 units	45,000 units	84,000 units
Machine guns, rifles and small arms	325,000 units	580,000 units	1,000,000 units
Rounds of gun ammunition	28,000,000	30,000,000	62,000,000
Rounds of small arms ammunition	1,200,000,000	1,500,000,000	3,300,000,000
Pounds of Chemicals and explosives	860,000,000	1,000,000,000	2,300,000,000
Cargo vessels	81	150	249
Naval vessels	117	100	336
Instruments and communi- cations equipment	\$84,000,000	\$180,000,000	\$320,000,000
Defence and construc- tion projects	\$219,000,000	\$194,000,000	\$675,000,000

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The Department of Munitions and Supply has awarded approximately \$2,400,000,000 of contracts. With a government expenditure of over \$200,000,000 in raw plants and equipment, with war orders on hand totaling several hundred million dollars, with a large share of production commitments under Canada's Mutual Aid Plan, Canada remains one of the important cog in the machinery of allied production. In proportion to its population, resources and productive facilities, Canada's industrial war effort is unexcelled by that of any other country.

An outline of Canada's war production is given in the following table:

Total to March 1, 1944	1943	1942	
11,300	4,133	3,811	aircraft
34,000	15,500	12,500	armored fighting vehicles
593,000 units	175,000 units	192,000 units	mechanical transport
64,000 units	45,000 units	31,000 units	artillery gun barrels, cartridges and mountings
1,000,000 units	580,000 units	395,000 units	machine guns, rifles and small arms
62,000,000	30,000,000	28,000,000	ammunition
3,300,000,000	1,500,000,000	1,200,000,000	small arms
2,300,000,000	1,000,000,000	860,000,000	chemicals
242	150	81	explosives
336	100	114	vessels
230,000,000	180,000,000	161,000,000	communications and communications equipment
1,675,000,000	1,194,000,000	1,219,000,000	miscellaneous projects

Purchases of personal equipment, foodstuffs, miscellaneous stores, etc., totalled at the end of 1943, \$2,988,000,000.

Beginning the war with an aircraft industry employing about 1,000 persons, now about 122,000 (of which 39,000 are women) are employed. Problems of tooling up for new types of aircraft and of turning them out by mass production have now largely been overcome.

Average plane production increased from 324 a month last spring to an average of 436 for December, January and February of this year. The actual increase in poundage production is 50%

Of the 11,390 planes produced since the beginning of the war, more than 2,000 have been first-line service aircraft.

Canada's shipbuilding record is as follows:

Type of vessel	Delivered to end of February, 1944	Schedule for 1944
Frigates	28	44
Single screw corvettes	104	18
Steel minesweepers	92	29
Wooden minesweepers	34	45
Fairmiles	78	11
10,000-ton cargo vessels	234	102
4,700-ton cargo vessels	15	18

In addition to the figures quoted for ships delivered, 75 vessels of these types have been launched and are now being outfitted. The number of landing craft delivered under this program is 925, and will be increased.

Of the cargo vessels, 54 10,000-tonners and 13 4,700-tonners have remained in Canadian service; the balance have gone to the United Kingdom, the United States and Australia.

A high rate of production of armored fighting vehicles will be maintained during 1944, and mechanical transport units will be of a heavier type. Locomotives for shipment overseas are now being produced at the rate of 24 a month.

The total number of Bren guns produced in Canada to date is 155,000. Two types of Canadian anti-aircraft guns as well as six-pound anti-tank guns are being shipped to China.

Canadian chemists have discovered the most effective method of manufacturing RDX, the new super-explosive, and have devised important changes in the manufacture of TNT.

The problem of producing sufficient synthetic rubber to avoid a shortage which would have crippled Canada's production has been overcome. The Polymer Corporation, a crown company in Sarnia, Ontario, is now in production of Buna-S type rubber at the rate of 2,500 tons a month and butyl rubber at 150 tons a month. This plant has no counterpart anywhere as it produces all the ingredients of synthetic rubber and also manufactures the finished synthetics. The expected increase in production in 1944 will not give any great relief to civilians. Most of the estimated 900,000 tires will be on military vehicles. These tires are said to be about 80% as efficient as raw rubber tires.

Canada's chief natural sources of wealth are agricultural lands, mines, forests, fisheries and water-power sites. Due to the war, Canada has rapidly changed over from being a producer primarily of foodstuffs and raw materials to an industrial nation of major importance. Ranking third in the world in the production of foodstuffs and fourth in the production of war supplies, Canada's external trade is now the fourth largest in the world.

beginning the war with an aircraft industry capacity of about 1,000 persons, now about 125,000 (of which 30,000 are women) are employed. Problems of looking up for new types of aircraft and of changing them out by mass production have now largely been overcome.

Average plane production increased from 325 a month last spring to an average of 430 for December, January and February of this year. The actual increase in poundage production is 30%.

Of the 11,300 planes produced since the beginning of the war, more than 2,000 have been first-line service aircraft.

Canada's shipbuilding record is as follows:

Type of vessel	Delivered to end of 1944	Schedule for 1944
4,700-ton cargo vessels	12	18
10,000-ton cargo vessels	23	102
Freighters	78	11
Wooden minesweepers	34	45
Steel minesweepers	92	29
Single screw destroyers	104	18
Trigates	28	44

In addition to the figures quoted for ships delivered, 75 vessels of these types have been launched and are now being completed. The number of landing craft delivered under this program is 2,000 and will be increased.

Of the cargo vessels, 24,10,000-tonners and 12,4,700-tonners have remained in Canadian service; the balance have gone to the United Kingdom, the United States and Australia.

A high rate of production of armored fighting vehicles will be maintained during 1944, and general transport units will be of heavier type. Locomotives for shipment overseas are now being produced at the rate of 24 a month.

The total number of Bren guns produced in Canada to date is 155,000. Two types of Canadian anti-aircraft guns as well as six pound anti-tank guns are being shipped to China.

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Canada's other natural sources of wealth are agricultural lands, forests, fisheries and water-power sites. Due to the war, Canada has rapidly changed over from being a producer of foodstuffs and raw materials to an industrial nation of major importance. Ranking third in the world in the production of foodstuffs and fourth in the production of war supplies, Canada's external trade is now the fourth largest in the world.

Total trade (excluding gold):

1933 .....	\$	936,698,100
1940 .....		2,275,168,311
1941 .....		3,089,246,191
1942 .....		4,029,707,979
1943 .....		4,736,429,169

The expanding volume of Canada's exports is indicated by the following tabulation:

Exports by Main Groups

	1939	1940	1941	1942	1943
Agricultural and vegetable products (except chemicals, fibres and wood).....	\$ 220,118,056	\$ 218,263,811	\$ 285,708,739	\$ 257,778,304	\$ 483,756,894
Animals and animal products (except chemicals and fibres).....	131,803,706	164,723,794	201,730,555	256,725,462	289,566,022
Fibres, textiles and textile products.....	14,427,669	22,695,647	30,819,633	28,931,925	30,620,390
Wood, wood products and paper	242,541,043	348,006,396	387,113,232	89,805,396	391,069,658
Iron and its products.....	63,102,432	127,666,846	239,900,848	467,121,439	716,644,883
Non-ferrous metals and their products (except gold)...	182,890,103	194,711,984	244,012,336	308,903,239	332,704,960
Non-metallic minerals and their products (except chemicals).....	29,332,099	33,754,096	45,172,085	56,580,147	62,191,606
Chemicals and allied products.	24,263,342	31,222,806	58,676,338	77,332,918	86,390,600
Miscellaneous	16,447,654	37,909,040	127,869,409	520,594,466	578,530,264
<b>Total</b>	<b>924,926,104</b>	<b>1,178,954,420</b>	<b>1,621,003,175</b>	<b>2,363,773,296</b>	<b>2,971,475,277</b>

The food industry is in many respects Canada's most important industry. It is complementary to agriculture; it is the biggest processing and merchandising business in Canada, and it contributes an important part of Canada's export trade.

Canada has increased its total output of agricultural products by more than 50% in the last four years, but further considerable increases under prevailing conditions seem unlikely. The net value of agricultural production increased from \$826,400,000 in 1939 to \$1,850,000,000 provisional estimate in 1942. This peak production was accomplished despite a reduction in manpower of 23%.

FOOD

Total trade (excluding gold):

1943	2,371,472,227
1942	2,323,728,228
1941	2,323,728,228
1940	2,323,728,228
1939	2,323,728,228

The expanding volume of Canada's exports is indicated by the following tabulation of the value of Canada's exports by Main Groups:

Exports by Main Groups

1943	1942	1941	1940	1939	
2,371,472,227	2,323,728,228	2,323,728,228	2,323,728,228	2,323,728,228	Food products
1,178,922,420	1,181,003,175	1,187,829,408	1,178,922,420	1,178,922,420	Mineral products
27,909,040	27,909,040	27,909,040	27,909,040	27,909,040	Manufactures
31,222,806	28,476,228	28,476,228	31,222,806	31,222,806	Transportation
38,754,098	42,172,085	42,172,085	38,754,098	38,754,098	Services
29,322,022	28,280,147	28,280,147	29,322,022	29,322,022	Other
15,447,624	250,294,466	187,829,408	27,909,040	15,447,624	Food products
24,222,806	77,322,916	28,476,228	31,222,806	24,222,806	Mineral products
38,754,098	42,172,085	42,172,085	38,754,098	38,754,098	Manufactures
29,322,022	28,280,147	28,280,147	29,322,022	29,322,022	Transportation
15,447,624	250,294,466	187,829,408	27,909,040	15,447,624	Services
24,222,806	77,322,916	28,476,228	31,222,806	24,222,806	Other
38,754,098	42,172,085	42,172,085	38,754,098	38,754,098	Food products
29,322,022	28,280,147	28,280,147	29,322,022	29,322,022	Mineral products
15,447,624	250,294,466	187,829,408	27,909,040	15,447,624	Manufactures
24,222,806	77,322,916	28,476,228	31,222,806	24,222,806	Transportation
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29,322,022	28,280,147	28,280,147	29,322,022	29,322,022	Other

The food industry is in many respects Canada's most important industry. It is complementary to agriculture; it is the largest processing and merchandising business in Canada, and it contributes an important part of Canada's export trade.

Canada has increased its total output of agricultural products by more than 50% in the last four years, but further considerable increases under prevailing conditions seem unlikely. The net value of agricultural production increased from \$250,000,000 in 1939 to \$1,178,922,420 in 1943. This year's production was accompanied by a reduction in manpower of 25%.

Although rationing of certain commodities has been introduced, total food consumption in Canada has increased during the war. Canada's food contribution to the United Nations has been made possible by increased production.

The importance of Canadian exports to the United Kingdom is readily seen when it is realized that to Canada, Great Britain owes 65% of her bacon, 52% of her wheat, 35% of her canned fish, 25% of her cheese, and 10% of her eggs.

In addition to supplies sent to the United Nations and to the armed forces, the Red Cross has sent over 7,000,000 food parcels to prisoners of war.

Government food officials predict that if Canada is to meet greater demands for the urgent needs of the increasing number of armed forces and suffering people, her civilian population will have to face greater denials than have yet been experienced.

The character of production and the plan of farming have been greatly changed in many areas. In western Canada the raising of hogs has become as common as the raising of wheat; livestock is to be found on thousands of farms where it did not exist before the war; butter production has been stepped up tremendously; poultry has greatly increased and improved; special crops have been introduced, and even vegetable growing has been extended.

With the exception of wheat, pre-war surpluses have largely disappeared. The wheat stockpile is being steadily reduced, and difficulty is being experienced in establishing and maintaining even moderate stockpiles of other commodities deemed essential for war operations and the maintenance of populations in liberated countries.

Production of the principal agricultural products during wartime and the average for the five years 1935-39 were as follows:

	1935-39	1940	1941	1942	1943
.....(in thousands).....					
Total milk (lb.).....	15,601,021	16,283,078	16,752,823	17,428,662	17,516,000
Creamery butter (lb.)	254,773	264,724	285,848	284,305	312,309
Cheddar cheese (lb.)	119,384	144,685	131,212	202,749	162,344
Eggs (doz.).....	234,523	250,403	259,157	295,253	330,000
Pork (lb.).....	634,016	850,638	1,022,777	1,092,574	1,172,789
Beef (lb.).....	618,556	643,459	720,651	736,823	886,296
Wheat (bu.).....	312,399	540,190	314,825	556,121	293,660
Wheat stocks at July 31 (bu.).....	101,142	300,473	480,129	423,752	601,477
Feed grains (oats, barley, mixed) (bu.)	465,461	527,915	464,799	979,732	734,582
Flaxseed (bu.).....	1,508	3,049	5,788	14,992	17,911

Exports of food products to all countries have been as follows:

	1939	1940	1941	1942	1943
Fruits.....	\$ 10,533,749	\$ 5,862,481	\$ 5,761,600	\$ 4,583,378	\$ 6,894,933
Vegetables.....	10,257,109	5,174,687	5,292,441	5,409,478	7,798,985
Grains and products.....	155,413,468	172,306,998	231,028,237	188,755,356	391,407,046
Fishery products..	28,881,452	31,650,889	41,178,257	49,786,965	57,148,016
Meats.....	37,445,336	63,289,240	84,177,848	110,428,586	130,790,199
Milk & products...	18,221,708	20,404,055	21,270,037	34,261,317	36,065,230
Eggs.....	310,697	2,771,063	4,227,534	9,785,939	15,063,890

Although production of certain commodities has been introduced, total food consumption in Canada has increased during the war. Canada's food contribution to the United Nations has been made possible by increased production.

The importance of Canadian exports to the United Kingdom is readily seen when it is realized that to Canada, Great Britain owes 50% of her butter, 50% of her wheat, 50% of her canned fish, 50% of her cheese, and 10% of her eggs.

In addition to supplies sent to the United Nations and to the armed forces, the Red Cross has sent over 7,000,000 food parcels to prisoners of war.

Government food officials predict that if Canada is to meet greater demands for the urgent needs of the increasing number of armed forces and civilian population will have to face greater demands than have yet been experienced.

The character of production and the plan of farming have been greatly changed in many areas. In western Canada the raising of hogs has become as common as the raising of wheat; livestock is to be found on thousands of farms where it did not exist before the war; butter production has been stepped up tremendously; poultry and greatly increased and improved; special crops have been introduced, and even vegetable growing has been extended.

With the exception of wheat, pre-war supplies have largely disappeared. The wheat stockpile is being steadily reduced, and difficulty is being experienced in establishing and maintaining even moderate stockpiles of other commodities deemed essential for war operations and the maintenance of population in liberated countries.

Production of the principal agricultural products during wartime and the average for the five years 1935-39 were as follows:

	1935-39	1940	1941	1942	1943
Wheat (lb.)	12,501,021	16,283,078	18,737,825	17,488,882	17,516,000
Barley (lb.)	254,773	244,704	238,348	234,308	212,899
Oats (lb.)	119,354	144,696	131,212	202,748	182,344
Rye (lb.)	234,223	250,403	232,137	232,223	230,000
Triticum (lb.)	434,016	820,639	1,032,777	1,092,574	1,172,799
Flour (lb.)	818,256	843,422	720,881	736,322	886,296
Feed (lb.)	612,329	840,196	214,322	558,121	222,660
Butter (lb.)	101,142	300,473	460,122	423,722	601,477
Wool (lb.)	227,421	227,418	466,793	272,722	734,882
Other (lb.)	1,206	2,049	2,722	14,222	17,211

Exports of food products to 21 countries have been as follows:

	1939	1940	1941	1942	1943
Total	\$ 10,227,102	\$ 12,124,627	\$ 12,222,441	\$ 12,222,441	\$ 12,222,441
Wheat	1,222,441	1,222,441	1,222,441	1,222,441	1,222,441
Barley	222,441	222,441	222,441	222,441	222,441
Oats	222,441	222,441	222,441	222,441	222,441
Rye	222,441	222,441	222,441	222,441	222,441
Triticum	222,441	222,441	222,441	222,441	222,441
Flour	222,441	222,441	222,441	222,441	222,441
Feed	222,441	222,441	222,441	222,441	222,441
Butter	222,441	222,441	222,441	222,441	222,441
Wool	222,441	222,441	222,441	222,441	222,441
Other	222,441	222,441	222,441	222,441	222,441

PRIMARY  
PRODUCTS

Even before the war Canada was one of the leading producers of vital minerals and metals, and during the war its output of these war essentials has been greatly increased. Canada now leads the world in the production of asbestos, nickel and aluminum, supplying practically all of the nickel and 40% of the aluminum requirements of the Allies.

Since the war, Canada has concentrated on the search for minerals of strategic importance and allowed her production of some others (notably gold) to slump. The drop in total production - \$523,940,810 in 1943 as compared with \$566,768,672 in 1942 - is explained mainly by the lower output of gold.

Expansion in the production of the minerals essential to war industry has occurred in spite of the severe labor shortage. As there is now a fairly ample supply of aluminum, molybdenum, magnesium, tungsten, zinc, chrome, lead and copper, some of these metals have been released for civilian manufacture. There are now only three metals, of which the main one is tin, for which the demand still exceeds the supply.

Canadian output of steel for 1943, 2,996,978 tons, approximately doubled 1939 production, 1,551,054 tons. But as total Canadian consumption was 3,620,000 tons, about one-third of Canadian requirements had to be imported from the United States, and strict conservation has been necessary. With the shift to lighter items in the production program and the completion of most of the industrial expansion, it has been possible to lift some of the steel restrictions, and six or seven controls have been relaxed.

Production in tons of the chief wartime minerals and metals has been as follows:

	Asbestos	Coal	Total Nickel	Refined Copper
1939.....	364,472	15,692,698	113,052	231,684
1940.....	346,805	17,566,884	122,778	261,878
1941.....	477,846	18,225,921	141,139	278,224
1942.....	438,698	18,707,110	141,616	269,200
1943.....	427,141	17,786,562	143,887	254,200

  

	Refined Lead	Refined Zinc	Pig Iron
1939.....	190,568	174,641	846,418
1940.....	220,088	185,722	1,309,099
1941.....	228,027	213,603	1,528,053
1942.....	243,800	220,800	1,975,015
1943.....	224,800	208,300	1,758,265

  

	Steel Ingots and steel castings	Ferro- alloys	Aluminum
1939.....	1,551,054	85,540	82,800
1940.....	2,253,769	149,394	109,200
1941.....	2,712,151	198,364	212,300
1942.....	3,121,361	213,636	335,800
1943.....	2,996,978	218,687	492,600

1943  
1942  
1941  
1940

Even before the war Canada was one of the leading producers of  
 vital minerals and metals, and during the war the output of these war  
 essentials has been greatly increased. Canada now leads the world in the  
 production of asbestos, nickel and aluminum, supplies practically all of  
 the nickel and 40% of the aluminum requirements of the Allies.

Since the war, Canada has concentrated on the search for minerals  
 of strategic importance and allowed her production of some others (notably  
 gold) to drop. The drop in total production - \$223,940,810 in 1943 as  
 compared with \$388,789,672 in 1942 - is explained mainly by the lower out-  
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Expansion in the production of the minerals essential to war  
 industry has occurred in spite of the severe labor shortage. As there is  
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 the steel restrictions, and six or seven controls have been relaxed.

Production in 1943 of the chief wartime minerals and metals has  
 been as follows:

Year	Asbestos (tons)	Total Nickel (tons)	Refined Lead (tons)	Refined Zinc (tons)	Steel Ingots and Castings (tons)	Aluminum (tons)
1939	384,873	15,632,828	170,358	174,241	1,551,034	85,800
1940	442,803	17,552,224	250,069	182,722	2,222,789	102,300
1941	477,946	18,222,221	222,027	212,802	2,712,121	212,300
1942	452,622	18,707,110	272,800	220,800	2,121,221	222,200
1943	422,121	17,782,222	222,121	202,200	2,997,978	222,200

Canada is the largest producer of newsprint in the world. An indication of her importance as a producer of forest products is given by the following figures:

Canadian newsprint production (tons)	Exports of Canadian woodpulp (tons)	Production of sawn lumber (thousands of board feet)
1939..... 2,869,266	705,515	3,976,882
1940..... 3,418,803	1,068,517	4,629,052
1941..... 3,425,865	1,411,724	4,941,084
1942..... 3,177,102	1,510,746	4,935,145
1943..... 2,982,797	1,556,457	4,640,000

President Roosevelt said on November 11, 1943:

"Canada has received no lend-lease aid from the United States. She has paid cash for the supplies obtained in this country."

At the same time Canada is and has been since the beginning of the war extending considerable assistance to the allies on its own behalf.

In the first three years of war the flow of Canadian war supplies to the United Nations was assured by providing the United Kingdom with the Canadian dollars necessary to pay for these supplies. Countries in the British Commonwealth and also the Soviet Union have, through the United Kingdom, received substantial amounts of Canadian war supplies in this way.

Several methods of extending financial aid were used, among the most important being:

- 1) The buying back or "repatriation" of British-held Canadian securities, amounting to about \$800,000,000, and the consolidation of the major part of accumulated sterling balances in London, amounting to \$700,000,000, into an interest-free loan for the duration of the war.
- 2) A contribution of \$1,000,000,000 placed to the credit of the United Kingdom for the purchase of Canadian war supplies.
- 3) The assumption of the ownership of United Kingdom interests in Canadian war plants amounting to about \$200,000,000.

In May, 1943, Canada passed the Mutual Aid Act which provides for the distribution of Canadian war equipment, raw materials and foodstuffs to the United Nations to the value of \$1,000,000,000 on the basis of strategic need and in excess of what can be paid for.

Instead of acting through the United Kingdom, Canada is negotiating directly and drawing up separate agreements with each country receiving its supplies. These agreements contain a pledge of reciprocal aid to Canada and a mutual undertaking to pursue international economic policies designed to implement the economic objectives defined in the Atlantic Charter and accepted by all the United Nations.

Canada will not require the re-delivery of any mutual aid supplies except that certain provisions have been made for the return of cargo ships and the re-delivery or transfer of certain types of automotive equipment and aircraft at the end of hostilities.

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Canadian newsprint production (tons)	Exports of Canadian woodpulp (tons)	Production of sawn lumber (thousands of board feet)
1932... 2,869,366	705,215	3,976,882
1931... 2,418,803	1,068,212	4,699,052
1930... 2,452,862	1,411,722	4,941,084
1929... 2,177,102	1,210,726	4,932,122
1928... 2,282,797	1,256,427	4,610,000

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Several methods of extending financial aid were used, among the most important being:

- 1) The buying back or "repatriation" of British-held Canadian securities, amounting to about \$200,000,000, and the consolidation of the major part of accumulated sterling balances in London, amounting to \$700,000,000, into an interest-free loan for the duration of the war.
- 2) A contribution of \$1,000,000,000 placed to the credit of the United Kingdom for the purchase of Canadian war supplies.
- 3) The assumption of the ownership of United Kingdom forests in Canada, war plants amounting to about \$200,000,000.

In May, 1943, Canada passed the Lend-Lease Act which provides for the distribution of Canadian war equipment, raw materials and foodstuffs to the United Nations to the value of \$1,000,000,000 on the basis of arrears paid and in excess of what can be paid for.

Instead of acting through the United Kingdom, Canada is negotiating directly and drawing up separate agreements with each country receiving its supplies. These agreements contain a pledge of reciprocal aid to Canada and a mutual undertaking to pursue international economic policies designed to implement the economic objectives defined in the Atlantic Charter and accepted by all the United Nations.

Canada will not require the re-delivery of any actual aid supplies except that certain provisions have been made for the return of cargo ships and the re-delivery or transfer of certain types of sensitive equipment and aircraft at the end of hostilities.

The underlying principles of mutual aid and lend-lease in the United States are the same: That no financial impediment should prevent allies from giving the maximum assistance to one another and that United Nations war resources should be used in the most effective way possible. While the Lend-Lease Act was adopted when the United States was neutral, the Mutual Aid Act was passed when Canada had already been at war for more than three and a half years and had extended financial aid in excess of \$2,700,000,000 to the United Kingdom and its allies.

NATIONAL  
INCOME

The national income at factor cost in 1943 rose to a new high of \$8,000,000,000 an increase of 17.3% over the national income of \$7,500,000,000 in 1942. The wartime rise in national income per capita according to the figures released by the Dominion Bureau of Statistics has been as follows:

1939 -	\$402
1940 -	473
1941 -	565
1942 -	644
1943 -	746

FINANCE

For the five fiscal years ending March 31, 1944, Canada's war expenditures will have exceeded \$10,824,000,000. The daily war costs per capita have been:

<u>1939</u>	<u>1940</u>	<u>1941</u>	<u>1942</u>	<u>1943</u>
3¢	17¢	32¢	89¢	\$1.16

The gross bonded debt of the Canadian government and of the Canadian National Railways has increased 141% during the war from \$4,693,000,000 to \$11,302,000,000. The external bonded debt has decreased 54% from \$1,784,000,000 to \$819,000,000, while the domestic bonded debt has increased 260% from \$2,909,000,000 to \$10,483,000,000. This domestic wartime borrowing has equalled half of Canada's total cash requirements.

To finance the war effort, the government has aimed at the widest possible distribution of its war borrowing by means of periodic war and victory loan drives. Cash sales in two war loans and the five subsequent victory loans have been progressively larger. The fifth victory loan in 1943 netted a total of cash and conversion sales of \$1,571,311,550, compared to the first war loan in 1940 of \$250,000,000.

The government's policy has been to obtain the maximum assistance possible from persons of moderate means, primarily to reduce civilian consumer purchasing power as much as possible and thereby to combat inflation, and secondly so that as many persons as possible should have some reserve against emergencies.

The amount of cash applications from persons of moderate means advanced from \$132,000,000 in the first war loan to \$604,000,000 in the fifth victory loan. Marketing costs for each \$100 of bonds were 86.8 and 84.2 ¢ for the two war loans, and \$1.094 and 98.4, 98.6, 92.3 and 88 ¢ for the succeeding five victory loans.

At the close of 1943 Finance Minister Ilesley stated that he thought it possible that Canada's war expenditures had reached their maximum and that, even taking into account the need for financing relief supplies, no increase in expenditures beyond current levels need be anticipated.

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The national income at factor cost in 1943 rose to a new high of \$68,000,000,000 an increase of 17.32 over the national income of \$57,500,000,000 in 1942. The wartime rise in national income has been according to the figures released by the Dominion Bureau of Statistics as follows:

1939 - 3402
1940 - 473
1941 - 555
1942 - 644
1943 - 745

For the five fiscal years ending March 31, 1944, Canada's war expenditures will have exceeded \$10,824,000,000. The daily war costs per capita have been:

1939	34
1940	134
1941	184
1942	216
1943	216

The gross bonded debt of the Canadian government and of the Canadian National Railways has increased since during the war from \$4,697,000,000 to \$11,302,000,000. The external bonded debt has decreased 24% from \$1,784,000,000 to \$1,319,000,000, while the domestic bonded debt has increased 25% from \$2,909,000,000 to \$4,983,000,000. This domestic wartime borrowing has equalled half of Canada's total cash requirements.

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At the close of 1943 Finance Minister Flaherty stated that he thought it possible that Canada's war expenditures had reached their maximum and that, even taking into account the need for financing relief supplies, no increase in expenditures beyond current levels need be anticipated.

Following are Dominion government expenditures and revenues since 1939:

	1939-40	1940-41	1941-42	1942-43 (Estimated)	1943-44 (Budget)
	Millions of Dollars				
War Expenditures:					
Army.....	68	383	511	1,038	1,787
Navy.....	11	88	129	210	489
Air Force.....	33	176	371	617	1,129
Dept. of Munitions and Supply.....	...	80	253	679	166
War Services Dept. ....	...	2	3	9	12
Miscellaneous Depts. 6		23	73	171	307
United Nations financial assistance (budgetary).....	...	...	...	1,000 <sup>x</sup>	1,000 <sup>xx</sup>
Total War Expenditure	118	752	1,340	3,724	4,890
Other Govt. Expenditures.....	563	498	545	663	655
TOTAL EXPENDITURES.....	681	1,250	1,885	4,387	5,545
TOTAL REVENUES	562	872	1,489	2,249	2,527
Over-all deficit....	119	378	396	2,138	3,018
Total revenue to total expenditure.	82%	70%	79%	51%	46%
U.K. financial assistance (non-budgetary) <sup>x</sup> .....	104	361	1,053	.....	.....

<sup>x</sup> Financial assistance in 1942-43 provided for in budget and included in war costs. In previous years assistance to the United Kingdom was provided outside the budget as it involved investment or debt redemption rather than expenditures.

<sup>xx</sup> Mutual Aid Act to provide United Nations war equipment, war materials, food.

An indication of the wartime increase in taxation is given in the following tabulation of the principal specific taxes levied by the federal government in the fiscal years 1938-39 and 1943-44:

	1938-39	1943-44
	(millions of dollars)	
Corporation taxes (including excess profits tax).....	85	850
Individual income tax.....	47	930
Succession duties.....	(not levied)	18
Sales tax.....	122	225
Import duties and taxes (including war exchange tax).....	94	185
Excise duties and taxes.....	78	340
Withholding tax on dividends, interest, etc.....	10	26
Total	436	2,574

Following are Dominion government expenditures and revenues since 1939:

1942-43 (Estimated) (Budget)		1941-42		1940-41		1939-40	
Millions of Dollars		Millions of Dollars		Millions of Dollars		Millions of Dollars	
1,787	1,028	811	863	863	63	63	63
1,129	619	371	176	176	38	38	38
189	409	440	687	687	25	25	25
127	409	7	2	2	2	2	2
307	171	73	83	83	6	6	6
1,000	1,000	...	...	...	...	...	...
4,230	3,724	1,340	723	723	112	112	112
633	633	633	433	433	333	333	333
5,243	4,337	1,973	1,230	1,230	445	445	445
2,227	2,227	1,442	873	873	333	333	333
3,016	2,110	531	357	357	112	112	112
424	212	724	702	702	324	324	324
1,053	1,053	1,053	381	381	102	102	102

X Financial assistance in 1942-43 provided for in budget and included in war costs. In previous years assistance to the United Kingdom was provided outside the budget as it involved investment or debt redemption rather than expenditures.

U.K. financial assistance (non-budgetary) provided for in budget and included in war costs.

An indication of the wartime increase in taxation is given in the following tabulation of the principal specific taxes levied by the federal government in the fiscal years 1938-1939 and 1942-43:

1942-43		1938-39	
(Millions of dollars)		(Millions of dollars)	
2,374	438	10	10
240	240	78	78
132	132	34	34
222	222	132	132
18	18	18	18
230	230	230	230
250	250	250	250

The corporation tax is levied on the profits of all kinds of corporations. The minimum rate on net corporate profits is 40%. In the event that profits are still large, the federal government takes 116 2/3% of "standard" profits, based on average profits in the years 1936 to 1939, except in cases where companies were considered "depressed" in the basic period. After the war 20% of this excess profit tax will be refunded to enable the companies to restore and rebuild machinery and equipment worn down by wartime operations.

The rate of personal income tax which the average Canadian pays is as high in some brackets as the highest paid in the world. The number of persons paying tax has increased from 300,000 to 2,000,000 since war began.

Here is what a single man, a married man and a married man with two children in the province of Ontario paid in the last year of peace and in 1943 in Ontario:

Salary	1938-39		1943-44	
	Total Federal and Ontario Tax	Total Federal Tax	Savings Portion Refundable after War	Net Tax
<u>Single</u>				
\$1,500	\$ 22	\$ 367	\$120	\$ 247
2,500	74	826	200	626
5,000	265	2,128	400	1,728
10,000	940	5,112	800	4,312
30,000	7,108	19,196	800	18,396
<u>Married, No Children</u>				
1,500	-----	200	100	100
2,500	22	651	250	401
5,000	177	1,878	500	1,378
10,000	779	4,762	1,000	3,762
30,000	6,770	18,446	1,000	17,446
<u>Married, Two Children</u>				
1,500	-----	49	24	25
2,500	-----	435	217	218
5,000	118	1,662	600	1,062
10,000	660	4,546	1,200	3,346
30,000	6,499	18,230	1,200	17,030

The maintenance of the price ceiling and prevention of a rise in the cost-of-living has been an increasingly difficult job. In spite of the wage and price ceilings, producers and merchants have continued to face rising costs. In the case of imports, increased transportation costs and the rise in the cost of raw materials or of labour in the foreign country concerned, make the cost higher in Canada. In some cases the importer has had to change to new, higher-cost sources of supply because of the war.

In the case of domestic products, the rise in costs has been due to a number of causes among which are: higher import prices in many cases, higher labor turnover, higher wages (agriculture and fishing were excluded from the Wartime Wages Control Order) and higher operating costs.

METHOD OF PREVENTING INCREASED PRICES

The corporation tax is levied on the profits of all kinds of corporations. The minimum rate on net corporate profits is 15%. In the event that profits are still large, the federal government takes 15% of "available" profits, based on average profits in the years 1933 to 1935, except in cases where companies were considered depressed in the past period. After the war 30% of this excess profit will be returned to enable the companies to restore and rebuild machinery and equipment worn down by wartime operations.

The rate of personal income tax which the average Canadian pays is as high in some districts as the highest paid in the world. The number of persons paying tax has increased from 300,000 in 1914 to 1,000,000 in 1935.

Here is what a single man, a married man and a married man with two children in the province of Ontario paid in the last year of peace in 1935 in Ontario:

Salary	Total Federal and Ontario Tax	Total Federal Tax	Balance after Provincial Tax	Net Tax
\$1,500	\$ 282	\$ 282	\$120	\$162
2,500	424	424	200	224
3,000	438	438	400	338
4,000	440	440	600	340
5,000	4108	4108	800	3308
6,000	4108	4108	800	3308
7,500	4108	4108	800	3308
8,500	4108	4108	800	3308
9,500	4108	4108	800	3308
10,000	4108	4108	800	3308
11,000	4108	4108	800	3308
12,000	4108	4108	800	3308
13,000	4108	4108	800	3308
14,000	4108	4108	800	3308
15,000	4108	4108	800	3308
16,000	4108	4108	800	3308
17,000	4108	4108	800	3308
18,000	4108	4108	800	3308
19,000	4108	4108	800	3308
20,000	4108	4108	800	3308
21,000	4108	4108	800	3308
22,000	4108	4108	800	3308
23,000	4108	4108	800	3308
24,000	4108	4108	800	3308
25,000	4108	4108	800	3308
26,000	4108	4108	800	3308
27,000	4108	4108	800	3308
28,000	4108	4108	800	3308
29,000	4108	4108	800	3308
30,000	4108	4108	800	3308
31,000	4108	4108	800	3308
32,000	4108	4108	800	3308
33,000	4108	4108	800	3308
34,000	4108	4108	800	3308
35,000	4108	4108	800	3308
36,000	4108	4108	800	3308
37,000	4108	4108	800	3308
38,000	4108	4108	800	3308
39,000	4108	4108	800	3308
40,000	4108	4108	800	3308
41,000	4108	4108	800	3308
42,000	4108	4108	800	3308
43,000	4108	4108	800	3308
44,000	4108	4108	800	3308
45,000	4108	4108	800	3308
46,000	4108	4108	800	3308
47,000	4108	4108	800	3308
48,000	4108	4108	800	3308
49,000	4108	4108	800	3308
50,000	4108	4108	800	3308

The maintenance of the price ceiling and prevention of a rise in the cost of living has been an increasingly difficult job. In spite of the wage and price ceilings, producers and merchants have continued to raise their costs. In the case of the cost of raw materials in the foreign country the rise in the cost of raw materials or of labor in the foreign country has made the cost higher in Canada. In some cases the importer has had to change to new, higher-cost sources of supply because of the war.

In the case of domestic products, the rise in costs has been due to a number of causes among which are higher import prices in many cases, higher labor turnover, higher wages (agricultural and fishing were excluded from the War-time Wage Control Order) and higher operating costs.

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	

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

1. The abolition of administrative simplification, and measures to effect cost economies.
2. Arranging for the industry concerned to absorb the rise by sharing the "agony" between manufacturers and distributors.
3. The removal or reduction of duties and taxes on certain imports.

The system of subsidies or government bulk purchase of certain products, whenever they are sold through normal channels of trade at prices commensurate with the retail price ceiling, is another measure which has been taken to maintain the cost of production. 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. Certain fruits, grains, cereals, drugs, agricultural implements, textiles, and many other products are among those on which import subsidies have been paid.

The careful use of subsidies has been thoughtfully 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 in the Wartime Prices and Trade Board from December 1, 1941, to the end of 1942 was \$1,250,000,000. In addition to this figure, the Government has also paid certain subsidies to the producer.

In 1939 about 1,000,000 Canadians were employed in agriculture, and about 500,000 were available for work were not employed. By the end of 1942, the agricultural population had risen to approximately 1,200,000. About 1,000,000 of these were engaged in the armed forces in supplying the war effort. The number of available men for civilian needs had fallen to about 2,000,000.

The munitions industry, the peak employer more than 1,000,000 persons (including 600,000 directly engaged in the manufacture of war equipment), of the total over 250,000 were women (at one season in four). The increasing number of women in industry is shown by the following figures:

Year	One woman in every	was employed in industry at	December
1940	70		
1941	50		
1942	30		
1943	24		

To provide training for the unskilled men and women entering war industries, the Department of Labour set up the War Emergency Training Program in July, 1940. Full and part-time classes have been carried on in 125 plant schools and 105 other training centres (including vocational schools) since that time.

Since its inception, 325,000 persons have enrolled under the scheme; approximately 105,000 have taken full-time pre-employment industrial classes, 42,500 were trained as foremen, 2,800 rehabilitation cases were handled, and nearly 60,000 were given various other types of industrial trades training.

During the war years the manpower situation in Canada has passed through three general phases:

1. From the outbreak of war until well into 1940 there was no planned manpower program in the sense of organized compulsory control and regulation over civilian employment.
2. Partial compulsory regulation over military service and civilian employment began in the summer of 1940.
3. Over-all compulsory control or regulation began early in 1942.

A series of orders-in-council passed in March, 1942, was amended and consolidated in the National Selective Service regulations of January, 1943. These are designed to maintain and increase the manpower available for the armed forces and vital industries and services by reducing the number of persons employed in less essential activities.

With few exceptions, employers and employees are prohibited from advertising for jobs, from terminating employment without seven days' notice, and from seeking, being interviewed for or offered employment without a permit from a Selective Service Officer.

Under compulsory measures since passed, employers in a wide range of non-essential or low priority industries and occupations are prohibited from retaining male workers between the ages of 16 and 40 without a special permit.

Special steps have been taken to guarantee an adequate labor force for the nation's agriculture.

Persons in a growing list of occupations, including teachers, hospital assistants, and civil servants as well as workers in high priority industries, have been required to remain at their type of employment.

Job freezing proved of benefit to employers in all high priority industries. Along with lay-offs in various war plants which were releasing workers for absorption into other undermanned plants, the freezing order had a stabilizing effect on the dominion-wide manpower situation.

Under mobilization regulations men who were single, or childless widowers at July 15, 1940, who are between the ages of 18 and 45, inclusive, and medically fit, are eligible for military service in Canada and its territorial waters. So far, single men between the ages of 18½ and 38 and married men up to 30 years of age have been called up for compulsory military service. By order-in-council, authority may be given to despatch such men to areas outside Canada.

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An industrial mobilization plan was devised and put into effect during 1943 to provide an orderly system of postponement and withdrawal of employees to serve in the armed forces. Employees of companies engaged in high priority production are classified according to age, sex and medical category. Those who are subject to military call-up are further classified according to relative indispensability or replaceability, and to the length of time they need be postponed in order to prevent losses in production.

INTERNATIONAL  
OPERATION

Canada has been a strong supporter of organizations designed to further international relief. Every month since August, 1942, 15,000 tons of Canadian wheat have been shipped to Greece as a gift to the Greek people from the people of Canada. Greek authorities have revealed that this Canadian wheat has been responsible for saving about half the population of the country from starvation. Canada was represented at the United Nations Relief and Rehabilitation Administration conference at Atlantic City in November of 1943. A Canadian, L. B. Pearson, Minister-Counsellor at the Canadian Embassy at Washington, was named chairman of the important Committee on Supplies which will consider the provision, transportation and allotment of relief supplies. A sub-committee of the Supplies Committee will have responsibility for deciding whether or not countries in receipt of relief are able to pay for supplies.

Contribution to UNRRA during the first year of its existence will be made on a basis of 1% of the national income of the contributing country which, in the case of Canada, will amount to about \$90,000,000.

Canada's largest contribution in the field of relief will probably be in the form of wheat. Canada is one of the few countries in the world which has a surplus of any food. Of 1,000,000,000 bushels of wheat available for relief during 1944, half are in Canada.

U.S.  
OPERATION

Canada has constantly indicated its willingness to support international plans which will bring world betterment. With the United States, Canadian co-operation is particularly close,

In the fields of defence, economics and war production, Canada and the United States have joined forces through the following committees:

Permanent Joint Board on Defence  
Materials Co-ordinating Committee  
Joint War Production Committee  
Joint Agricultural Committee  
Joint War Aid Committee

Canada is also a member of the Combined Production and Resources Board and the Combined Food Board with the United Kingdom and the United States.

On August 17, 1940, at Ogdensburg, New York, Canada and the United States signed the agreement on which co-operation in defence is based.

Recommendations of the defence board have resulted in the construction of a chain of air bases between Edmonton and Alaska, and of the Alaska Highway.

At Hyde Park, New York, on April 20, 1941, the Prime Minister of Canada and the President of the United States agreed "as a general principle that in mobilizing the resources of this continent, each country should provide the other with the defence articles which it is best able to produce, and above all, produce quickly, and that production programs should be co-ordinated to this end."

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Canada has been a strong supporter of organizations designed to furnish international relief. Every month since August, 1942, 1,000,000 Canadian wheat have been shipped to Greece as a gift to the Greek people from the people of Canada. Great attention has been given to the mobilization of the country's resources for service about half the population of the country. Canada was represented at the United Nations Relief and Rehabilitation Administration conference at Atlantic City in November, 1943. A Canadian, Mr. Pearson, Minister-Counselor at the Canadian Embassy in Washington, was named chairman of the International Committee on Economic and Technical Cooperation and Development. A subcommittee of the committee is studying the feasibility of a world-wide system of production and distribution of goods. A subcommittee is also studying the feasibility of a world-wide system of production and distribution of goods.

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Recommendations of the defense board have resulted in the construction of a chain of air bases between Edmonton and Alaska, and of the Alaska Highway. At Hyde Park, New York, on April 30, 1941, the Prime Minister of Canada and the President of the United States agreed "as a general principle" to mobilizing the resources of this continent, each country should provide the other with the defense articles which it is best able to produce, above all, produce quickly, and that production programs should be coordinated to this end."

The United States War Production Board, in determining the allocation of critical war materials, has reviewed Canadian applications on the same basis that it passes on applications from United States domestic industry. Canada, for its part, has poured its gigantic resources of vital raw materials into the common pot.

On November 10, 1942, Canada became a full member of the Combined Production and Resources Board, the principal objective of which is to combine the production program of the United Kingdom, United States and Canada into a single integrated program, adjusted to the strategic requirements of the war, as indicated by the Combined Chiefs of Staff, and to all relevant production factors.

In an exchange of notes concluded on November 30, 1942, Canada and the United States expressed their desire to continue in the post-war world their wartime co-operation.

The Joint Agricultural Committee was set up in March, 1943, to keep agricultural and food production and distribution in Canada and the United States under continuing review.

On August 22, 1943, during the Quebec conference the Prime Minister and the President announced the formation of a Joint War Aid Committee. This committee is to study problems that arise out of operations of United States lend-lease and the Canadian mutual aid program and, where necessary, make recommendations to the proper authorities.

Canada was admitted to full membership on the Combined Food Board on October 29, 1943. That board's purpose is to obtain a planned, expeditious utilization of the food resources of the United Nations.

On November 11, 1943, it was announced that Canada's legation at Washington and the United States legation at Ottawa would be raised to the status of embassies. Thus the Canadian embassy was the first to be established by any British country other than the United Kingdom.

