

# DEMAND FOR NON-ESSENTIAL ARTICLES TO BE TREMENDOUS

## Dominion Economy Now Industrial Rather Than Agricultural BALANCE REVERSED

Toronto, Nov. 30.—(CP)—Expansion of Canadian industry for war purposes has made the Dominion's economy primarily industrial rather than agricultural, and will be a potent factor in the post-war period, Munitions Minister Howe said to-day in an address prepared for delivery to the Canadian club.

### Housing Expansion

After sketching Canada's achievements on the industrial front, Mr. Howe said there appears no reason to be alarmed about post-war readjustments.

"Our manufacturers will not permit newly created facilities to remain idle," he said. "A tremendous demand is being built up in Canada, not only for luxury articles but for articles that we consider necessary. An enormous expansion of housing will be required.

"All the markets of the world will be seeking our production. Before the war Canada was thought of by other countries as agricultural, rather than industrial, in its economy. To-day the balance has been sharply reversed.

"Our manufacturers have learned to work together, and their productive skill has been pooled to the advantage of all. The threat of inflation, always present in time of war, has been met and conquered.

"Surely we are building something of permanent value out of our war necessities."

Canada's war production had won the appreciation and admiration of her allies.

"In pre-war years, perhaps we have been unduly pessimistic about our ability to produce in competition with other countries. If so, that inferiority complex is a thing of the past. We find that we can successfully undertake any type of war production and compete with the world in quality and in production costs.

### New Industries

"Our national research laboratories are developing new processes for making new types of equipment, and many of these are being adopted in other countries. We are building great industries that are new in Canada, that will be a potent post-war factor in our industrial life."

Typical of this expansion was the manufacture of guns, a new art in Canada, with production of small arms now at one a minute for a 24-hour day seven days a week. Ammunition for these guns was being turned out at the rate of 40,000 finished rounds a minute. Manufacture of explosives had reached a tremendous scale with the most powerful explosive of the war, a Canadian development, being made in Canadian plants.

Canadian aircraft plants had turned out thousands of training planes and more than 1,000 Hurricane fighters. The new DeHavilland Mosquito, now in production, would be turned out eventually at the rate of five a day. Four-motored Lancaster bombers and Curtiss Helldivers soon would be in production. Large-scale production of Catalina flying boats had been reached.

Empire forces were almost entirely dependent on Canadian-made mechanized vehicles, some 40,000 of which were carried by the armada of ships which recently went to North Africa. The 1942 output of Canadian plants equalled 430,000 commercial trucks, as compared with less than 40,000 a year for the ten years prior to the war.

More than 1,000 Ram tanks had been made for the Canadian army and "a very large number" of Valentine tanks sent to Russia. Major-Gen. A. I. Belayev, chairman of the soviet purchasing commission, in a letter to H. J. Carmichael, coordinator of production, had described the Canadian Valentine tanks as "the best of all our imported tanks."

### Naval Vessels

Nine different types of naval vessels and a large number of small patrol craft being made in Canada, as well as two types of merchant ships, were more than 95 per cent. Canadian content, including engines and all equipment. Canada's ship-building costs were being rapidly lowered and were approaching parity with those of British yards.

"The task of expanding industry involved a major problem in training workers. More than 600,000 of the 1,000,000 workers had never before worked in industrial plants. Expenditures on new plants totalled approximately \$1,000,000,000, of which \$100,000,000 represented new industrial tools.

In the production of raw materials there had been a corresponding expansion. The largest aluminum plant in the world, located in Canada, now had a production greater than the entire world production in 1939. Using Canadian-developed methods, magnesium was being produced at low cost, with a sizeable surplus available for export.

"It is being predicted that the post-war period will see a rapid advance in the use of light metals," Mr. Howe said. "If so, Canada must have an important part in that development."

The 1943 output of refined aluminum, nickel, copper, lead and zinc was estimated at 1,300,000 tons, an increase of 77 per cent. compared with 1939 and about four times the production of the United States.

### New Discovery

An important new discovery of tungsten in British Columbia, to be

operated by a government-owned company which plans a mill with a capacity of 300 tons a day, will make Canada practically self-sufficient in tungsten, he said.

Increases in Hydro-electric power since the beginning of the war would add an effective capacity of some 1,870,000 horse power to pre-war capacity. Response to an appeal for voluntary curtailment had more than exceeded expectations.

In making heavy expenditures, care was taken to avoid careless spending and large profits by manufacturers. The department had two objectives: Low costs and low profits.

"So far as we are concerned, no one is going to get rich out of this war," Mr. Howe said. "To further safeguard the situation, the government has fixed its basis of taxation in such a way that there is no purpose in attempting to make large profits from war production."

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