

# [Economic effects of world war ii on canada history essay](https://assignbuster.com/economic-effects-of-world-war-ii-on-canada-history-essay/)

World War II involved the largest armed forces, the longest battle lines, and the most destructive weapons of any war. It is a very complicated issue when you get into all the technical and political effect of the war. World War II is a major turning point in world history. It is one of the important events that should never be repeated and have had the most far-reaching consequences. Besides, it is an unprecedented disaster in human history. The human cost of the war is tremendous and the effects of the war on humanity, human civilization and human society in all areas are unprecedented too. Besides, knowledge of World War II and other global turning points in history advances one’s understanding on the development of our contemporary society. That is why we should examine the impacts of World War II. In this paper, we focus on the economic effects of World War II on Canada.

In 1938, Canada experienced a severe economic depression, the economic situation shrunk back to the level of 1929 during the Great Depression. And the gross national product and per capita income fell below the 1929 level. The economic crisis also affected the investment field. The investors are very pessimistic about the economic outlook of Canada, so they lost confidence in the investment. In Canada, there was a serious shortage of capital accumulation, and the updating of many factory’s facilities and equipments became a bubble. Soaring inflation and rising unemployment had a serious impact on the living standards of Canadians.

In September 1939, Hitler invaded Poland, and the Canadian government realized that war is inevitable. As Britain and France declared a war on Germany, Canada, as a member of British Commonwealth, should be responding. Although Canada agreed to participate in the war, it was not as optimistic as in the World War I. Many Canadians were still immersed in the painful memories of World War I, so the government worried that the involvement in the massacre of mankind would cause the opposition between the people and the Government. In particular, Canada was suffering the severe economic depression, so people are very pessimistic about the prospects of the war.

For the above reasons, Canada was not carefully prepared on material at first. The government paid more attention to the issue that whether involvement in this war would ease its economic crisis. So the government believed that the way of participating in the war should be provide material assistance to British and France. In this way, they not only supported the allies, but also alleviate the economic crisis. However, with the fall of the Denmark, the Netherlands, Belgium and France, the Canadian government realized that any idea of trying to stop this war was unrealistic. At this time, the Canadian economy policy began to target the war in all domains. The Canadian government increased the war budget and tax revenue and sent troops to the European theater.

## Analysis on the economic effects of World War II on Canada

In general, the extent of vulnerability of an economy to external environment is vary with the dependence on foreign markets; if the economy of the country is less self-sufficient, it is assumed to be more sensitive to changes of the world (Marcus, 2002). In fact, the involvement in the war eased the economic crisis of Canada quickly and had some significant influences on the economy which was reflected in three aspects.

3. 1 Effects on the core of economy

After the World War II, Canada was transformed from a rural economy which was based on agriculture, to one focused on industry and mining (Encyclopedia of the Nations, 2010).

Although Canada’s agricultural production was increased during World War II, the agricultural population was decreased. Besides, the importance of agriculture also declined relatively. World War II led to the rapid development of Canadian industry, particularly the heavy industry. Iron and steel industry, aircraft manufacturing, shipbuilding industry and others were rapidly growing up during this period. Canada not only provided aircraft, artillery, tanks, machine parts and other military supplies for its own Army, but also for its allies. Manufacturing of aircrafts and tanks needed basic materials which promoted the development of the energy industry of Canada. Meanwhile, transporting of supplies to the battlefields of Europe required a lot of merchant ships which could step over the Atlantic, a large number of orders for the ships made Canada’s shipbuilding industry out of the crisis.

On September 9, 1943, the fourth anniversary of Canada’s declaration of war on Germany, the Canadian Minister of Munitions and Supply, American-born Clarence D. Howe, revealed that by the end of 1943 Canada have produced more than 600, 000 military trucks, more than 35, 000 armored fighting vehicles, more than 1, 000, 000 tons of explosives and war chemicals, 60, 000, 000 rounds of heavy ammunition, and more than 3, 000, 000, 000 rounds of small arms ammunition, more than 10, 000 aircraft, and almost $300, 000, 000 of instruments and communications equipment (Harris). During World War II, shipbuilding out-put per man-hour showed an amazing improvement (Rapping, 2001). By the end of 1943, Canada had produced about 750 ships.

Effects on the women’s employment

World War II also has a positive impact on the women’s employment of Canada. The colonial nature of Canada, which experienced a transformation from a agricultural economy to an industrial one, displayed a special type of economic development which affected women’s work in several ways ¼ˆLaxer, 1991¼‰. Before World War II, the industrial sector, especially in the heavy industry, employed very few women workers. Because of the shortage of the labor force and the development of new resources of Canada, many industries opened their doors to women. Of course, one of the most important reasons which drive the women to work was the need for family life. Many families just got rid of the poverty of the Great Depression and most men went to the battlefield, so many families’ incomes were too low to maintain family life. In addition, many women thought working in the factories could support the front and it is a patriotic action. Therefore, thousands of women went into the factories, the employment rate of Canadian women reached to the unprecedented level. Since then, the women made a further step in fighting for equal rights with men.

Effects on the international trade of Canada

World War II provided a golden opportunity for Canada in international trade. During this period, British, as one of the main Warring States which declared war on German, needed a large quantity of war material. So it had to stop all export trade and ordered a number of military supplies to Canada. Canada was a country which depended on exports, so World War II was an important event to promote the development of export trade of Canada.

In addition, an important enlightenment of the war to Canada is that the rise and fall of the Canadian economy was closely linked to the changes in the international economy. The government made the target of the foreign trade on export and encouraged the enterprises to focus on export. Later, Canada became the largest trading partner with United States. Besides, a large amount of investment flowed to Canada from U. S after World War II, which energized the development of Canadian economy in the other side.

## Conclusion

In recent decades, the rapid development of the economy in Canada shocks the whole world. However, when people look back to the history of Canada, they will find that the World War II has a far-reaching and significant impact on the Canadian economy. World War II makes Canada out of the Great Depression quickly and transform into a powerful industrialized country. So it is meaningful to study the effects of the World War II on Canadian economy.

Many people worried that the economic prosperity during the war was temporary, and the shadow of the Great Depression would reappear. This concern was not unreasonable. After the World War I, the Canadian economy was stagnant for a period. Many workers were unemployed and there was a serious economic slump. Therefore, the officials of the government, banks and Ministry of Finance tried their best to find a good transitive economic policy. It was evidenced that the successful macroeconomic policy after the World War II ensured the steady development of Canadian economy and realized the transition from war-time to peace-time and maintained a long-time development, which surprises the world.