

NAR/SR/JG  
14.6.46

C 202963

MEMORANDUM FOR THE PRIME MINISTER

It has occurred to me that there are one or two things that you might wish to say when met by the press in Halifax. (The following suggestion is in addition to anything you may wish to say about the Prime Minister/s' meetings, Commonwealth consultation generally, and the prospects of peace conferences - on the latter point you may wish to remind them that the members of the Council of Foreign Ministers are meeting again in Paris this very day).

I was very much impressed by the way men and women in the United Kingdom have settled down, seriously and soberly, to the job of rebuilding their cities and getting production started again. They seem to realize, pretty clearly, that an all-out effort to step up production in every line is their own country's chief need and the world's chief need at the present time. They are working hard to increase output, not only of food and fuel and ~~in~~ of the consumer goods they lack, but they are giving a high priority to the production of goods for export so that they can pay for the goods they want from us.

With large parts of the world hungry and the peoples everywhere in desperate need of goods and equipment, I must confess I have been dismayed by reports of serious stoppages of work on our continent. We must all recognize that there are a good many unfairnesses and inequalities in the organization of industry and that the wages structure, in particular, is probably out of joint here and there. It is clear that a good many adjustments have to be made. I hope these can be accomplished without holding up needed production or interfering with the full employment we are seeking.

We should remember that all countries are at this moment, and will be for the next two or three years, in the process of transition from a war to a peace economy. Military demobilization is just one aspect of this transition. Industrial reconversion is another. Any big changeover in the direction of production means inevitably a loss of time in tooling up, waiting for scarce materials, and in assembling expert labour forces. These physical difficulties in the way of getting on an all-out peace time production basis are grave enough; it is a great pity that these difficulties should be made greater at this particular juncture in history by widespread industrial stoppages which, in the long run, can only result in a lessen-