

Pending a decision as to the size of the permanent defence establishments, interim arrangements have been made for continued voluntary service in the armed forces of members of the three services who have the required qualifications.

A special committee of the House of Commons, has given close study to the various statutes and orders relating to the care, rehabilitation and re-establishment of war veterans. On the recommendation of the committee, a Veterans' Rehabilitation Act has been enacted and amendments have been made to the War Service Grants Act and the Veterans' Land Act. The government intends to propose that the committee be reconstituted at the next session to complete its examination of the measures which are being consolidated into a Veterans' Charter.

Steady progress has been made with the conversion of war industries to civilian production. Provision has been made for the amalgamation of the Department of Munitions and Supply with the Department of Reconstruction. The work of the Department of National War Services is all but completed.

War restrictions are being removed as rapidly as this can be accomplished without occasioning inflation or other economic disturbances.

In order to make possible the continuance of controls essential to the welfare of the people, a measure has been enacted to permit the extension of certain specified emergency powers during the period of transition from war to peace.

To accelerate the construction of houses as the supply of materials and the availability of labour increase, amendments have been made to the National Housing Act. Provision has also been made for the establishment of a Central Mortgage and Housing Corporation. Special attention is being given to the provision of low-cost housing for war veterans and to making emergency shelter available during the present shortage of permanent housing.

Provision has been made for increasing the capital of Trans-Canada Air Lines to permit of the expansion of our international air services.

*Members of the House of Commons:*

I thank you for the financial provision you have made for all essential services, as well as for expenditures arising out of the war and for purposes of reconstruction.

The unprecedented response to the Ninth Victory Loan was heartening evidence of the determination of the Canadian people to consolidate victory.

A measure of relief from the wartime burden of taxation has been a significant feature of the session.

*Honourable Members of the Senate:*

*Members of the House of Commons:*

My Ministers were gratified at the approval given to the proposal that Canada should possess a distinctive national flag. At the next session, they will propose that the Select Committee of both Houses be reconstituted in order to complete the task of considering a suitable design for a Canadian flag.

It affords me pleasure to state that a successful beginning has been made in the planned development and beautification of Canada's capital and its surrounding area as a national memorial to commemorate the service and sacrifice of Canadians in the war just ended.