

Canada's vulnerability in external trade, the Government has encouraged more processing of primary products prior to export, the setting-up of new plants, and, where economically sound, the expansion of new industries developed during the war. Temporary import controls affecting capital goods, which were necessitated by the shortage of U.S. dollars, are being used also to direct capital investment so as to maintain essential facilities required for the efficient functioning of the Canadian economy, particularly in relation to basic utilities and the manufacturing industries. Where Canadian costs are competitive, branch plants are encouraged to make more parts or whole products here in Canada for sale in world markets. Through the use of the credit facilities of the Industrial Development Bank, a number of small businesses are expanding their facilities or new plants are coming into operation. Recently, the Government has announced a plan for providing loans to steel companies to encourage expansion of production facilities in the iron and steel industry and so eliminate shortages that have been crippling industrial expansion and production.

#### 4. Anti-inflationary measures

To prevent inflation in the Canadian economy and to restore the price system, the Government pursued a policy of orderly decontrol in the period following the end of the war. Certain controls in such fields as the export of certain commodities, rents, foreign exchange, were retained to deal with particularly acute problems. Public works have been postponed and public investment confined to essential construction and development projects. The Government's budgetary surplus has been used to reduce the national debt and tax reductions and adjustments made where they would aid in the encouragement of industrial expansion and production. At the same time, fiscal policy has been recognized as a factor in modifying inflation during the present boom.

#### 5. Allocation of goods in short supply

In order to make the best use of available resources in the reconstruction period, certain essential goods in short supply have been controlled, e.g., directives on inter-mill movement of primary steel to keep all available facilities in the mills in full production. A system of export and import permits have been used to prevent unemployment in Canadian industry due to a shortage of urgently-needed materials and equipment, but at the same time to maintain as large a flow of goods to our traditional markets as possible. Agencies such as the Agricultural Supplies Board have also tried to make sure there were adequate supplies of foodstuffs and other primary products for both the Canadian producer and consumer, and arrange for the distribution of such supplies throughout the whole Dominion.

#### 6. Increased social legislation

In the past few years, the introduction of unemployment insurance and family allowances, the increase in pensions paid to disabled veterans, aged and blind persons, and health and hospital grants to be paid the provinces, have meant an extension of social security measures in Canada that will assist in maintaining consumption expenditures and, indirectly, employment levels. Further expansion of social legislation in such fields as health insurance is dependent upon Dominion-provincial agreement and co-operation.

#### 7. Improved facilities for training and placement of workers.

The vocational training projects sponsored jointly by the Dominion and the provinces have helped to fit for employment such groups as veterans, student nurses, university undergraduates, apprentices, industrial foremen, as well as war workers who had to be retrained for civilian jobs. The placement facilities of the National Employment Service, including the work of the Bureau of Technical Personnel, have assisted workers to find employment and aided employers in obtaining suitable labour. The movement of workers from low employment areas has also helped to relieve regional unemployment in Canada.