

The inability of Canada's European customers to pay for their imports resulted, during 1947, in a serious depletion of our reserves of United States dollars. To meet the critical situation occasioned by the shortage of United States dollars to pay for our vastly increased imports from that country, it became necessary to impose drastic and unpopular temporary restrictions on our trade. You will recall that the consideration of measures for this purpose necessitated beginning the session early in December. Debate on these measures occupied a large part of its earlier months.

It is gratifying to note that the measures taken have helped not only to stop the depletion, but to replenish Canada's reserves of United States dollars. The implementation by the United States of the European Recovery Program will contribute materially to the same end. As our reserves increase, and our trade is brought into better balance, restrictions will be progressively removed. A permanent solution of our exchange problem depends, however, upon the revival of world trade.

While much of your time has been devoted to a consideration of economic and financial problems arising almost exclusively out of abnormal world conditions, you have been careful to give the necessary attention to those matters with which, in ordinary times, parliament would be concerned.

Among measures related to agriculture, an international wheat agreement has been approved. Minimum prices for wheat and other agricultural products have been increased. The period during which agricultural prices may be supported has been extended. Provision has been made for the reclamation of marsh lands in the maritime provinces.

In the field of immigration, the movement of desirable immigrants from the United Kingdom and western Europe as well as from the displaced persons camps has been accelerated. A large number of close relatives of persons residing in Canada have been admitted, and provision has been made to hasten the admission of others.

In the field of industrial relations, legislation has been enacted respecting the investigation, conciliation and settlement of disputes in industries over which parliament has jurisdiction. It is hoped that this legislation will provide a model throughout Canada for legislation respecting industrial disputes. Provision has been made for the payment of larger benefits under the Unemployment Insurance Act. The scope of the Vocational Training Co-ordination Act has been widened.

With respect to the affairs of veterans and their dependents, a thorough study of existing legislation and related matters has been made by a select committee of the House of Commons. The veterans charter has been amended in the light of the experience of the past three years. Pensions of disabled veterans and of pensioned dependents have been increased. Larger allowances have been provided for married veterans in training. Other veterans' benefits have been broadened.

The welfare of Indians has been the subject of careful study by a select joint committee of the Senate and the House of Commons. The committee continued and completed the examination of the Indian Act begun in 1946.

In relation to the housing problem, it is to be noted that more houses were built in 1947

than in any previous year. The National Housing Act has been amended to assist in meeting the need for rental housing. Provision, on a substantial scale, of quarters for servicemen and their families is contributing materially to the total available housing accommodation.

A most significant advance in the government's policy for the establishment of a national minimum of social security and human welfare has been the development, in the present session, of a national health program. Provision has been made on a generous scale for annual grants to the provinces, over a period of years, to assist in the development of health plans and in the improvement of existing health services in both urban and rural areas. The health grants will be of immediate benefit in making possible much needed increased hospital facilities throughout Canada, as well as in the prevention and treatment of disease. The grants also constitute an essential prerequisite to the establishment of a nation-wide system of health insurance.

Other important measures enacted during the session were bills respecting the Canada Shipping Act, the Board of Transport Commissioners, the Dominion Elections Act, the revision and simplification of the Income Tax Act, the Criminal Code and Prison Reform, an improved pension plan for the Royal Canadian Mounted Police, and the creation of a Hydro Electric Power Commission in the Northwest Territories.

Members of the House of Commons:

I thank you for the provision you have made for all essential services.

You will be gratified that an unprecedented surplus of revenues over expenditures has made possible considerable reductions both in the national debt and in taxation. The sales tax on virtually all types of food has been removed. A further exemption in personal income taxes has been granted for persons over sixty-five years of age. Estates up to a value of \$50,000 have been freed of dominion succession duties.

Honourable Members of the Senate:

Members of the House of Commons:

On July 1, the Post Office Department will inaugurate, at ordinary first-class rates, an air-mail service which, as respects the delivery of letters, will, under normal conditions, reduce the distance from one end of Canada to the other to less than twenty-four hours.

As you are aware, floods in the Fraser valley of British Columbia recently reached the proportions of a national disaster. In coping with the appalling situation thereby created, there has been the closest co-operation between the federal government and the provincial and local authorities. I should like to express my appreciation of the prompt and effective measures taken by the armed services, the civil authorities, and the citizens of the province in meeting the emergency. I should like also to thank you for the financial provision you have made to assist in relief and rehabilitation, and in the constructive work of repairing the dykes.

The approval given by both houses of parliament to a planned development of the national capital, and the provision you have made for necessary improvements, will help to ensure continuity in the capital's development in a