

handle the whole of the financial transactions from revenue or loans from the public or from departmental funds available for investment, thus ensuring that the soundest policy is followed and that no portion of the amount required has been found by the creation of new money.

PROGRAMME, 1945-46

Of the tasks ahead of us, first priority must be given to doing all we can to hasten a victorious conclusion to the war with Japan. At the same time the progress being made in the war zones with the rapid acceleration likely to follow the transfer of vast Forces from the European theatre makes it advisable that all plans for the transition from war to a worthwhile peacetime economy should be developed as rapidly as possible.

Rehabilitation.

The organization for handling the rehabilitation of our returned servicemen is now well established and has had considerable experience in dealing with the large number of men and women who have already been discharged from the Forces. The Rehabilitation Department is essentially an organization for assisting individuals in training or with finance to fit them back into civilian life, and there still remains the larger problem of economic reconstruction and expansion so necessary to enable our returned men and women, the workers in war industries, and generally all workers to be usefully employed in ways that will restore and improve the standard of living.

Full employment.

In accord with its advocacy at the San Francisco Conference of Nations, the Government's policy is one of full employment, but this is only a means to the real objective of a better standard of living for all. Employment will provide the individual with money, but the standard of living depends upon the use made of our resources of both labour and materials and the output achieved per unit of labour. Our people must be able to acquire purchasing-power through employment, but it cannot be too strongly emphasized that the standard of living depends upon the volume of goods produced and services made available. The production of goods and services is the prime essential, without which there is no living standard. The responsibility of the Government is to ensure that necessary work in whatever form brings its full share of the commodities and services produced.

Replacing shortages.

The Dominion is emerging from the war with most types of consumable goods, except food, in short supply, and with a serious shortage of houses. The measure of our success in meeting requirements in all such items will determine our post-war standard of living. We can obtain the things we want only by making them for ourselves or by producing exports to exchange for imports. Therefore a rapid expansion in production, both primary and secondary, must be the predominant objective in our post-war activities. Where men are to be employed must generally determine where houses will be required, but this fact will not delay efforts to overcome the immediate pressing housing needs, particularly in the main cities. Location and magnitude of production will also be important factors in planning power and transport requirements.

Machinery for the systematic co-ordination of post-war activities on a regional as well as a national basis has already been established, and the study and planning of fundamental requirements, such as power and transport, location of industry, and the relative priority in which labour and material should be made available for works, are receiving attention.

Pursuant to the paramount objective of obtaining the maximum of employment in the production of consumable goods as quickly as possible, the Government will facilitate in every way the carrying-out of deferred maintenance work, and the replacement of worn-out and obsolete plant, both on farms and in factories. Importations for these purposes, as well as for expansion of industry, replacement of trucks for essential road transport, requirements for the Railways and for hydro-electric and other power units, together with necessary raw materials to enable industries to operate at full capacity, will make heavy demands on our overseas resources, but if we are to help ourselves items coming within these categories must receive priority. Large sums will also be wanted for imported commodities required in making good the wear-and-tear of the war years in the homes of the people. During the war years imports for civilian purposes have fallen into arrears, and a considerable proportion of these arrears will have to be made good in order to restore the economy of the Dominion. It can be done only as goods become available overseas and as and when we have the requisite resources to pay for the goods. Our sterling balances are now about twice as large as was considered to be normal in pre-war years, but, having regard to the substantial rise in overseas