

fact that the cost-of-living index rose only 2.1 p.c. between April, 1945, and April, 1946. On July 5, 1946, the Minister of Finance announced in the House of Commons a series of further steps taken, "in order to prevent undue increases in cost of living and cost of production, improve the effectiveness of price control, encourage a greater supply of scarce goods which we import from other countries, and generally strengthen the stabilization program and facilitate an orderly post-war adjustment of the Canadian economy while protecting it from the major effects of adverse developments outside our borders". These steps included the issuance of a list of all items still under price control, a change in the control of import prices to make possible the entry of high-priced foreign goods into Canada, the upward revaluation of the Canadian dollar in terms of the American dollar and the pound sterling, and the continuance of subsidy payments.

Rehabilitation.—The implementation of the Government program of rehabilitation for ex-service men is outlined in Chapter XXVIII of this volume. By mid-1946, the majority of ex-service men had been absorbed into civilian employment or were undergoing educational or vocational training with financial assistance from the Government.

Housing.—In addition to the assistance provided for the construction of dwellings under the National Housing Act (see pp. 455-458), the Government has taken steps to relieve the present housing emergency by stimulating the production of building materials, granting priority in obtaining supplies to the various veterans' housing projects and encouraging the use of new methods and materials. To encourage training in construction trades, the Dominion Government entered into a ten-year agreement with the provinces in 1944. According to this agreement, the Dominion Government provided a fund of upwards of \$1,000,000 to assist the provinces in the expansion of training facilities. Special provisions were also made for veterans. By Mar. 31, 1946, 6,785 apprentices were reported by the Department of Labour to be in training, about three-quarters of them being veterans. The effect of all these measures made itself felt in the volume of residential construction undertaken. During the calendar year 1945, a total of 47,000 new homes were built in Canada. A target of 60,000 new homes was set for the fiscal year 1946-47.

Reconversion and Assistance to Private Investment.—The settlement⁴ of outstanding war contracts proceeded rapidly after V-J Day. Surplus war plant and equipment was made available for the reconversion and expansion of industry by the War Assets Corporation, working under the Department of Reconstruction and Supply. Reductions in excess profits and income taxes stimulated the incentive of private industry to expand production, and special depreciation allowances for tax purposes were granted to firms carrying out deferred investment programs. As of July 1, 1946, approvals for special depreciation had reached a total of \$364,000,000 of which \$122,000,000 involved outlay for new construction and the purchase of existing buildings, with the remaining \$242,000,000 spent on the purchase of machinery and equipment. Low interest rates and special credit facilities for industrial expansion not provided by the commercial banks were made available through the establishment of the Government-sponsored Industrial Development Bank.

Export Trade.—The Government has supported the creation of the International Monetary Fund and World Development Bank, and has participated in preliminary discussion of methods for the removal of obstacles to a high level of world trade. The services of the Department of Trade and Commerce have been