

The fighting men of Canada, in increasing numbers, have continued in service and in combat against the Axis powers in Europe, in Africa, in the Middle East, on all the oceans and in the farthest parts of an embattled world. They have kept vigil over our own shores, both west and east. The valour and heroism displayed in the combined operations at Dieppe have added that name to the imperishable list of the battle honours of Canada.

Our country gratefully remembers those in all the fighting forces and in all parts of the world, whose lives have been given in its service and in the cause of freedom.

There has been increased co-operation between the United States and Canada in the defence of the Western Hemisphere. Canadian and United States forces have shared operations in Alaska and the Aleutians, as they previously had in Newfoundland, along our eastern coast, and in the north Atlantic. The chain of military airfields constructed by Canada between the United States and Alaska has been supplemented by the military highway constructed by the United States. There has also been co-operative development of northern air routes to Europe and Asia.

A plebiscite was held in accordance with legislation forecast in my speech at the opening of the session. As a consequence of the plebiscite, the National Resources Mobilization Act was amended to remove the statutory limitation on compulsory service in the armed forces.

A balanced effort in the prosecution of the war has resulted in a steady increase in the proportion of the nation's manpower and material resources devoted to the purposes of war.

The armed forces have grown steadily in numbers, in strength and in trained efficiency. The production of the machines and munitions of war and of food-stuffs has risen to new heights. In addition to supplying our own forces, Canada has made a vast direct material contribution of weapons, munitions and food-stuffs to Britain and other of the United Nations. Within the limits of available manpower and materials, our munitions programme has now reached full capacity. The volume and quality of output compare favourably with those of any Allied country.

Canada's production is being vigorously sustained by unremitting work on our farms, and in the forests, mines and fisheries, the factories, shops and offices, and in all forms of transport. In the armed forces and in industry, the women of Canada are taking an increasing part.

Measures have been enacted to provide for the reinstatement in civil employment of members of the armed forces, and to assist war veterans to settle upon the land.

Rates of pay for lower ranks in the Army have been increased on a basis of recognition of service and efficiency. Increased provision has been made for allowances to dependents of those serving in the armed forces.

The control of the cost of living has been splendidly maintained. Additional measures have been taken to avoid the evils of inflation. Where required, more equitable distribution of the necessaries of life has been ensured by the rationing of supplies to consumers.

Measures have been taken to curtail the production and consumption of alcoholic beverages.

Provision has been made for war risk insurance and for compensation for war damage.

Members of the House of Commons:

I thank you for the financial appropriations you have made for the prosecution of the war. The magnitude of these appropriations is without precedent.

As a result of the conclusion of agreements with the provinces, the structure of taxation has been simplified. By a combination of steeply progressive taxation and compulsory savings, the financial burdens of war have been spread more equitably over the whole population. The magnificent voluntary responses to the two Victory Loans raised during the present session were deeply gratifying.

Honourable Members of the Senate:

Members of the House of Commons:

I thank you for the close attention you have given, in these perilous times, to the discharge of your public duties.

I join with you in grateful thanks to Divine Providence for the measure of success which has thus far attended the efforts of the United Nations.