

urgent in view of the tourist business. If finality could be reached and accommodation made—I will not use the word reciprocity—between the two governments, it would be of great consequence to this important business and to the country generally.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Replying a moment ago to the hon. member for Parkdale (Mr. Bruce) I mentioned that this subject was at present one of communication and consideration between the two governments through officials of the United States legation at Ottawa and of our own legation at Washington. I agree with my hon. friend that it is desirable to have finality reached as soon as possible in these discussions, and that is the aim of both governments at the moment.

### THE MINISTRY

#### ANNOUNCEMENT OF APPOINTMENT OF HON. J. L. RALSTON AS MINISTER OF NATIONAL DEFENCE

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am pleased to be able to announce this afternoon that, in response to my representations that he could render his highest service to the state by accepting the portfolio of national defence, my colleague the Minister of Finance (Mr. Ralston) has agreed to take over the administration of the affairs of that department very shortly. In agreeing to my request, Colonel Ralston has been actuated by that high sense of public duty which has governed his motives and actions throughout the whole of his public life. In my conversation on the matter with my colleague he did not hesitate to mention how heavy the responsibilities of that particular position were at the present time and were likely to become, and he spoke of the degree of confidence which would be required in anyone accepting the post. I told him that I thought all hon. members would realize what the additional burden would be to him in taking on this work at this particular time, but I felt quite sure there was no name which could be suggested that would inspire more confidence in the government's war effort than his own in the position of Minister of National Defence.

In finally agreeing to accept the post, my hon. friend said to me that one of the reasons which would cause him not to hesitate in taking on additional burdens at this time, if to my judgment that seemed what he should do was the example of our late colleague and what doing so on his part might mean in the way of a slight tribute to his memory.

As the Minister of Finance has just announced, he had expected to deliver the budget in the course of the next week. Hon. members will appreciate what is involved in the preparation of a budget. The Minister of Finance has been engaged on that work for some time past. I have felt that, inasmuch as he hopes to be able to deliver the budget next week, it would be advisable for Colonel Ralston to continue in the position of Minister of Finance until after the budget has been delivered, unless in the interval something quite unforeseen should happen which would necessitate his taking over the portfolio of National Defence before that time.

As hon. members are aware, the bill passed in this house a short time ago establishing the Ministry of National Defence for Air provided that, in the absence of the Minister of National Defence, his duties would be performed by the Minister of National Defence for Air. I am sure that both hon. members here and the people of Canada generally will be quick to appreciate that in leaving the affairs of the Department of National Defence for the time being in the hands of the Minister of National Defence for Air the country could not possibly be better served.

### MUNITIONS AND SUPPLY

#### ESTABLISHMENT OF MUNITIONS PLANTS IN CANADA BY CANADIAN, FRENCH AND BRITISH GOVERNMENTS—SHELL CONTRACTS

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): On Tuesday I directed a question to the Minister of Munitions (Mr. Howe) regarding the reported construction of two munitions plants in Canada by the Canadian, French and British governments. Could the minister make a statement amplifying the statement made outside this house regarding the basis upon which the plants are to be built? Are they to be built under public ownership and control by the three governments?

Hon. C. D. HOWE (Minister of Munitions and Supply): I hope the house will not press me to be too specific as to the exact location of these plants, for obvious reasons. However, we have under construction for the British government, for the manufacture of explosives, a plant costing some \$12,000,000. It is being built for British account by the Canadian government and will be operated by the Canadian government for their account. In another location we are undertaking to build—in fact I think construction work is