

the outbreak of the war large industries were established which relieved to a very great extent the situation. Recently notice has been given by certain manufacturers of munitions, in eastern Canada particularly, that the contracts are to be discontinued hereafter, and a great deal of unemployment has resulted. In the town of New Glasgow, for instance, two thousand men were thrown out of employment without a moment's notice. Naturally they are concerned in knowing what is to be provided as a substitute for the employment which had heretofore given them a livelihood and which is no longer available. The Minister of Finance referred to the unfavourable condition of exchange, which he said made it impossible for the British Government to place any further contracts with the manufacturers of munitions in Canada. We know that some months ago the Right Hon. A. J. Balfour and others associated with him came to the United States as a commission, to go into the question of the placing of contracts with the United States Government in respect of war munitions. We are also aware of the fact that the hon. the Minister of Trade and Commerce (Sir George Foster) visited Washington at that time, and it was presumed he was more especially the representative of the Canadian Government.

Sir GEORGE FOSTER: Will my hon. friend allow me? Did I understand him to say that Mr. Balfour came to the United States for the purpose of making contracts with the United States for war munitions?

Mr. KYTE: No, he came for the purpose of discussing with the United States certain matters of interest on behalf of the Imperial Government, which had relation to financial questions in regard to the carrying out of war contracts.

Sir GEORGE FOSTER: That is a very different thing.

Mr. KYTE: The Minister of Trade and Commerce visited Washington at that time, and while we have had no official information on the subject so far as I am aware, I presume his object is to associate himself, as the special representative of the Government of Canada, with the Right Hon. Mr. Balfour. With regard to the question of finances, I have only to say this: For the last four or five days we have been engaged in discussing certain estimates which have been submitted to Parliament. It was pointed out on several occasions by hon.

members on this side of the House, that at this particular time when the question of finances so largely entered into the carrying on of our obligations in respect of munitions as well as other contributions to the British Government, it would be well for the Finance Minister to pare down these estimates and reduce the expenditures as much as possible. We have had estimates totalling \$254,000,000, of which some \$50,000,000 odd were supplementary estimates, placed before Parliament at this session. If there is any question as regards the subject of exchange or the difficulty of supplying money for the purpose of carrying out these contracts, I really think the Finance Minister would have acted very much more wisely if he had provided against that emergency and stricken from those estimates a very large amount which could very properly be classed as unnecessary expenditure. For instance, there was an item of some \$269,000 for telephones in British Columbia, as well as many other items to which reference might be made. The fact is the Government appears to be as helpless in respect of meeting this situation as they are in every other situation which has been presented to them. I think it is the duty of the Government to make some effort to provide employment for the working people of Canada to replace the employment which has ceased in respect of the manufacture of munitions. There is great necessity for shipbuilding in Canada, particularly in eastern Canada. This industry would provide employment for a great number of men. It is impossible for the Government under present conditions to continue the manufacture of munitions, I feel it would be desirable for them to open up some other means of employment, so as to relieve the very serious condition which is likely to result during the coming months.

Mr. PUGSLEY (St. John, N.B.): I wish to say a few words upon this subject, because it is one which is not only of very general interest but is of especial interest to the constituency I represent, as we have two large munition factories in St. John. I am sure that any sudden stoppage of the manufacture of munitions would result in very great hardship in a large number of cases, not only from a financial standpoint but to many workpeople who would be thrown out of employment. I have in mind one factory which was recently erected more especially for the manufacture of shells in which, I