

do, can only be determined after there has been an opportunity of complete and careful conference with all the parts concerned. My hon. friend will have noticed that the particular request which our friends in Australia are making, is at the present time, for planes and tanks; and I am not without grounds for believing that they may be receiving some assistance of the kind from Canada at present, and that we shall be able to add considerable assistance to them in those particulars, and possibly in other ways, as time goes on.

I had been outlining, Mr. Speaker, our programme for the coming year. In that outline I showed, I think, that in every aspect of Canada's war effort we planned to move forward to the limit of the country's capacity. It remains for me to give some indication of the total financial burden which the programme will involve.

Little more than a rough estimate of the cost can be given at this stage. The Minister of Finance will be somewhat more precise when he introduces the war appropriations. But the provisional estimate at this stage is \$3,000,000,000.

The financial advisers of the government believe that this huge sum and the additional sums required for civil government can be raised by taxation, war loans, and war savings, but they equally regard this as a full-out financial effort.

In preparing its war programme for 1942, the government has had but one objective. It is the objective we have had from the outset, namely, the achievement of a total national war effort. It is not, however, an effort exaggerated in any one aspect at the expense of other aspects. It is, as it has been from the beginning, a balanced effort. It seeks to take account of all demands and all eventualities, as far as it is humanly possible to foresee them. Moreover, it is so planned as to fall into its appropriate place in the united effort of all the nations arrayed against the axis.

The most searching and careful study has been given to the extent to which it is possible to expand each aspect of the national effort without weakening some other aspect just as important to the whole.

Equally careful consideration has been given to the methods by which the desired ends can best be attained. A balanced total national war effort requires the mobilization through taxation, loans and savings of the necessary financial resources, and the most careful decisions with respect to the means by which this is to be accomplished. It also requires the mobilization of material resources, and the mobilization of man-power, and like care with respect to the best means by which both of

these can be accomplished. I shall leave to the Minister of Finance the question of the means to be employed in mobilizing the financial resources. That matter will have to await the presentation of the budget.

In the case alike of the mobilization of material resources and of man-power, some measure of compulsion is necessary, just as it is in the case of the mobilization of financial resources. The use of compulsion, or if you prefer the word "conscription", for the mobilization of material resources and man-power is, as I have said, not new. It has been approved by this parliament. The principle of compulsion is embodied in the National Resources Mobilization Act, which was enacted on June 20, 1940. This act gives the government very wide powers to mobilize, for war purposes, both the material resources and the man-power of the country. Since of the two the mobilization of material resources is much less a subject of controversy, I shall speak of it first.

In the early stages of the war, the mobilization of material resources presented few problems. Production was in the stage of organization. The demand for raw materials was small. Shortages of Canadian supplies could readily be met by purchase in the United States. In other words, all our other shortages boiled down to a shortage of United States dollars. The government lost no time in facing this problem. Foreign exchange control was established on September 15, 1939, and increasingly stringent measures were taken through the prohibition of pleasure travel in the United States, and the restriction of unessential imports to ensure the supply of American dollars needed to buy war materials in the United States. Fortunately, at the very moment when these drastic measures threatened to prove insufficient, the whole problem was vastly simplified by the reciprocal arrangements embodied in the Hyde Park declaration. The problem has been further simplified by the establishment of joint committees on war production, and by recent agreement between the United States and Canada to remove all obstructions to the free flow of war materials between the two countries.

Means have also been taken to stimulate the production in Canada of strategic raw materials and to prevent the export of raw materials of which a shortage might be anticipated. Stock-piles of imported raw materials have been accumulated.

Steps have been taken to discourage waste, and to salvage waste products. By severe taxation and the encouragement of war savings, civilian consumption has been curtailed.