

to produce and contribute to the common cause more war supplies than we require for our own fighting forces. We also recognize that others of the united nations, who, for geographical reasons, have had to grapple more closely with the enemy, require far more than they are able to produce. Each nation must make the maximum effort of which it is capable in the form in which its most effective effort can be made. It should be enough that those of the united nations suffering far more than we from the attacks of the enemy, having necessarily to take a far greater part in the fighting than we, should make effective use against the enemy of the arms, the materials and the food that we produce.

I do not think the spirit behind this measure can be better expressed than it was the other day by one of our French-Canadian newspapers in commenting upon the announcement in his excellency's speech when it said as I translate it: "Whether they are employed in England, in North Africa, in China or in Russia, whether they are used by Canadian soldiers or by our allies, all our war supplies are contributing to the triumph of the cause of the united nations, who, in effect, have pooled all their means of defence against a common enemy."

I referred to two subsidiary measures that are being proposed to assist in ensuring that our allies are to continue to obtain what they require from us. These measures have very direct benefits of their own as well.

The government proposes to take over the ownership of all the interests of the United Kingdom in war plants in Canada. The British government has provided over two hundred million dollars of capital for the construction and equipment of factories in Canada to produce munitions for the British forces. The United Kingdom owns the whole or a share of many such munitions factories or specialized equipment in privately-owned factories. The Canadian government now proposes to take over these British plants and this equipment and to reimburse the United Kingdom for its investment in them. We will then have complete ownership and control of all the capital assets provided for under the capital assistance programme of the Department of Munitions and Supply. There will, I understand, be a great saving in the amount of administrative and accounting work on war production in plants heretofore jointly owned by the Canadian and British governments. Finally, the transaction will provide the British government with cash to meet its immediate deficit of Canadian dollars during the remainder of this fiscal year, before the

new mutual aid bill can be put into operation. Funds for this transfer of munitions plants will be requested in the supplementary war appropriation bill.

The other related proposal has already been explained by the Prime Minister, as well as mentioned in the speech from the throne. I refer to the expansion in the number of Royal Canadian Air Force squadrons overseas, and in the degree to which Canada bears the cost of equipping and maintaining them. This will have the effect of increasing our expenditures in sterling in the United Kingdom, thereby providing indirectly additional Canadian dollars to Britain to assist her in purchasing supplies she requires from Canada. This additional cost of the air force overseas will, of course, be reflected in our war expenditures to be covered by the main war appropriation for next year. Canada will also meet the full cost of pay and allowances for Royal Canadian Air Force personnel serving overseas in Royal Air Force squadrons.

These air force changes will reflect and emphasize the increasingly important part being taken by the Royal Canadian Air Force in achieving that air supremacy in Europe which is so essential an element in victory. They will also make clearly Canadian what should be Canadian.

The measures I have outlined today are intended to ensure that Canada's war production over and above that required by our own forces is directed as rapidly as possible to those fighting fronts where it will be most effective in defeating the enemy. From the beginning of the war, the Canadian government, with the full support of this house and the Canadian people, has followed the policy that whatever can be done by the provision of equipment and supplies to enable our forces and our allies' forces to fight most effectively, to accomplish their objectives with the least cost in men, must be done. These measures are required to continue that policy. They do so by enabling us to mobilize our resources most quickly and most efficiently. That means a great saving of national strength and resources, for it shortens the war; it means an enormous saving of human life; ultimately it means victory.

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, I do not intend to make any lengthy comments on the statement which the Minister of Finance has just read, but there are two matters upon which I think we should have some clarification. Three principal nations among the united nations now conducting this struggle against the axis powers are providing large quantities of the sinews of war by way of munitions—the United