

Murchison, director of the Soldier Settlement Act. It has to do with the settlement of returned men on the land and providing them with suitable employment in their spare time at some place adjacent to their holdings. The gentlemen referred to it as a matter that came under the Reconstruction Committee. I want to ask Dr. James whether the committee under Dr. Wallace when it holds a conference with the Maritime Provinces in the near future will consider conservation of water and other projects that would give employment to returned men during the early stages of the post-war period, so as to make it easier for those who settle on the land to get a start?

Dr. JAMES: That matter has come up in the western trips, Senator Sinclair, and will certainly be considered in the case of the Maritime Provinces. There are no formal recommendations yet, but it bears also on the best interests of industry.

Hon. Mr. SINCLAIR: It comes before the committee that Dr. Wallace referred to?

Dr. JAMES: Partly, and directly under the subcommittee on agriculture. The two are working together in that regard.

The CHAIRMAN: Will you proceed, Doctor.

Dr. JAMES: The second part of this testimony, Mr. Chairman, I have tried to work out in the fashion of suggesting to you what represents the best judgment of the Committee on Reconstruction itself as to the whole pattern of the post-war period. I am necessarily jumping a little ahead of the data in our possession. Some of these arrangements I shall have to state frankly as problems, and in all of them I shall have to tell you in the beginning that we have not been able to present precise measurements. I think it might be more useful to this committee if I should give you the benefit of the picture shaping up as the pattern of policy. Looking at the post-war situation whenever it comes from the four major elements in the Canadian scene, it has to be taken into account. In the first place, there has occurred already a tremendous expansion in the productive capacity of Canada. I am not only referring to the splendid work being done on farms to meet the increasing need for food stuffs, but to the industrial development which has occurred in the last three years, which would have been regarded as fantastic by any reasonably intelligent man in 1937 and 1938, and which is comparable, I think, to no previous experience in history, except, perhaps, the industrial development of Great Britain during the Napoleonic wars or of the Northern States during the Civil war. Some of that industrial expansion will be useless. Shell-filling plants and some explosive plants can by no stretch of the imagination be regarded as useful for any peace-time industry. Some factories have been established in out-of-the-way places where development will not occur. But even after you have written off all the scrapping that has to be done, there is yet a tremendous expansion in basic industrial production. I need only mention aluminium, Canada's production of which, I understand, next year will be as large or larger than the total world production five years ago. The development of the chemical industry has passed all bounds, and there are various other industries; for instance, the use of agricultural and synthetic fibres, which make the pattern for post-war development in Canadian industry much more complex and larger in scale than anything conceived of before 1939.

Moreover, the expansion of plant has been accompanied by the discovery of entirely new products—synthetic rubber, large numbers of plastics and various other products which at the end of the war will have a tremendous number of peace-time uses; and perhaps even more important is the discovery of new technological processes and new and quicker ways of producing things we need. So the potential productivity at the end of the war will be one and a half times or twice as large as it was before the war began, and we shall be able to produce a tremendous number of things which it was absolutely impossible for us to obtain before, or which had to be obtained only by international trade. That