

THE SENATE

Thursday, July 30, 1942.

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

PRECIOUS METALS MARKING BILL FIRST READING

A message was received from the House of Commons with Bill 121, an Act to amend the Precious Metals Marking Act.

The Bill was read the first time.

The Hon. the SPEAKER: When shall this Bill be read the second time?

Hon. Mr. KING: Next sitting of the House.

Hon. Mr. MURDOCK: May I raise a question? The honourable leader (Hon. Mr. King) gave notice of motion for the suspension of certain rules. I find that Rule 23 says that to make a new rule or standing order, or to repeal or amend an existing rule or standing order, two days' notice must be given. So this notice must be for Saturday, not to-morrow.

The Hon. the SPEAKER: According to the rule, unless suspended in the meantime, the remarks of the honourable senator from Parkdale are in order if applied to second reading of bills.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL

FIRST READING

A message was received from the House of Commons with Bill 124, an Act to authorize the provision of moneys to meet certain capital expenditures made and capital indebtedness incurred by the Canadian National Railways System during the calendar year 1942, to provide for the refunding of financial obligations and to authorize the guarantee by His Majesty of certain securities to be issued by the Canadian National Railway Company.

The Bill was read the first time.

POOLING OF BRITISH AND AMERICAN PRODUCTION

REPLY TO INQUIRY

Hon. J. H. KING: Honourable senators, referring to the matter to which my honourable friend from Vancouver (Hon. Mr. McRae) called attention yesterday, I am now in a

Hon. Mr. KING.

position to reply to the inquiry which he made on June 12 and referred to again on July 27. His inquiry related to an article appearing in the Press to the effect that the United Kingdom and the United States had pooled their production resources and that the pool was to be administered by a representative of the United States and a representative of the United Kingdom. According to my honourable friend, the report asserted that the representative of the United States was to have charge of all North American production, including that of Canada.

This report related to the announcement by President Roosevelt, on June 9, of the creation of a Combined Production and Resources Board and a Combined Food Board. The scope of the Production and Resources Board is indicated in the following quotation from a memorandum addressed to Mr. Donald Nelson, the United States member of the board, by the President:

In order to complete the organization needed for the most effective use of the combined resources of the United States and the United Kingdom for the prosecution of the war, there is hereby established a Combined Production and Resources Board.

The memorandum goes on to describe the functions of the board as: to "combine the production programmes of the United States and the United Kingdom into a single integrated programme, adjusted to the strategic requirements of the war." The board is instructed, in this connection, to take account of the need for the maximum utilization of the available resources in the United States, the British Commonwealth and the United Nations, and of all other relevant factors.

My honourable friend will note that the board is to concern itself with integrating the production programme of the United States and the United Kingdom. As the Prime Minister stated in reply to a question on June 11, Canadian capacity has been expanded and developed in the closest possible co-operation with the United Kingdom and with the United States. The Joint War Production Committee was established late in 1941 to perform, with respect to Canadian and United States production, functions such as those now undertaken with respect to United States and United Kingdom production by the new board. The representative of the United States on this board has not been charged with any responsibility for Canadian production. The creation of this board has not led to any change in the arrangements governing the furnishing to the United Kingdom of supplies from Canada.

The Combined Food Board, which was simultaneously established, consists of the