

(Privy Council Office memorandum to the Minister of Finance, Nov.9, 1948).

2. The Cabinet, after discussion, noted with approval the arrangements proposed by the Minister of Justice.

Compulsory military service in peacetime

3. The Minister of National Defence observed that the meeting with representatives of the Canadian Legion might be the occasion for enquiry concerning government policy with respect to compulsory military service or training in peacetime.

This question had been raised elsewhere on a number of occasions. No commitment had been made thereon although objections to such a course had been stated publicly.

4. The Cabinet, after discussion, agreed that no categorical answer should be given to any enquiries concerning the policy of the government with respect to compulsory military service or training in peacetime; it should be said that decision on this question would be made in the light of circumstances; however, the objections to a peacetime programme of compulsory service might be given.

Food contracts with the United Kingdom

5. The Minister of Agriculture, referring to discussion at the meeting of November 4th, reported that, following further consultation with the Minister of Finance, new proposals had been prepared for the shipment and finance of food exports to the United Kingdom during 1949. The arrangements now proposed were described in a memorandum, copies of which were circulated.

The programme presented by the Chancellor of the U.K. Exchequer in September included provision for the purchase from Canada during 1949 of bacon, cheese and eggs to the value of \$56, \$15 and \$14.8 million respectively (the figure for eggs was subject to slight adjustment). It was now proposed that Canada offer to enter into contracts with the U.K. government on the basis of these figures or for such additional quantities as the U.K. government were prepared to purchase at current prices; no Canadian credit to be provided beyond the \$60 million already indicated. The three contracts would be tied together and an attempt would be made to have surplus frozen, storage and dried eggs included; if possible the United Kingdom would be induced to provide for egg purchases of \$9 million.

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