

*Supply—Defence Production*

will know that you cannot produce lumber for \$30. In the immediate vicinity of Meadow Lake, thirteen mills moved out to Alberta. On being advised of this the minister of natural resources said he was glad to hear of it, and it was good riddance. Those are the policies these gentlemen follow.

I should like to suggest to you that if federal policy ran along parallel lines we would soon not have any people in the province at all. I want to thank the minister sincerely for the effort he is making in my riding, because it is going to have a great effect on the population in the next two or three years. We are now in the atomic age. Uranium is a top commodity the world over. We hope it will not always be used for destructive purposes. It has already been used for medical purposes to humanity's great benefit. I want to thank him for his policy, and for the great benefit it has been.

**Mr. Knowles:** I would be grateful if the minister would expand a bit on what he had to say this morning with respect to the mechanical transport division of his department. The reason I express that desire is because, as the minister knows, both management and employees of the automotive industry are concerned about their situation. When the minister was speaking this morning he said that orders had been placed for 456 three-quarter-ton military trucks, and 780 two and a half ton military trucks. As I understood it, no other firm orders had yet been placed by the mechanical transport division, although he said that the Ford people were studying the quarter-ton, four by four jeep.

Now, as the minister knows, delegations have been coming to Ottawa representing both management and employees in the automotive industry. In fact, representatives of the United Automobile Workers are in Ottawa today. They are, in fact, genuinely concerned about the employment situation. They point out that there are three things that are affecting their situation. One is the volume of defence orders. Their claim is that there do not seem to be enough orders for defence production to take the place of civilian production, which it seems to be the desire of the government to curtail. The second factor that interests them is that of the supply of steel. I understand that one of the automobile plants has as large an inventory of steel as it has ever had, but some of the other plants are facing a shortage of steel. There is, in addition, a third factor which concerns them. While it does not come directly under the minister's department, still it is related to the whole problem, and I am sure he must be interested in it. It is the impact of credit

controls. These employees, the members of the union, as well as the management, point out that the effect of stringent credit controls is a lessening in the purchase of new cars. That results in the supply of new cars piling up and the fear that there may be layoffs. No one suggests that we should facilitate the manufacture and the purchase of new cars by easing credit restriction and by other means, if that plant and equipment and those men are needed to produce defence materials. But if defence orders are not being placed they feel that steps should be taken to make sure that these employees are kept on the job.

That would seem desirable not only from the standpoint of the men themselves, which in my view is a major consideration, but also from the standpoint of defence. It is no help to the defence program if important plants, such as our automobile plants, are allowed to stand idle. I have every confidence that this matter is of concern to the minister, and that he and his department are giving attention to it. I must say however that, having had representations from the members of the United Automobile Workers who are in town today, when the minister spoke this morning and gave these figures that I have repeated, namely, 456 trucks of one kind and 780 of another kind, it did seem to bear out their statement to me that the orders being placed with the automobile firms in Oshawa, Windsor and in other places here in Ontario really provide work for only a very few weeks.

I need not spell the problem out in any greater detail than that. It does seem to call for consideration, I would say, of the points they have emphasized, namely, the question as to what defence orders are in prospect for automobile plants, the question of the supply of steel and also the question as to whether or not the Minister of Defence Production might recommend to his colleague the Minister of Finance a relaxation of the credit controls on the purchase of cars.

There is another subject that I want to raise, which is completely different. I would be glad if the minister would comment at this time on the automobile employment situation.

**Mr. Howe:** I gave the size of orders for automobile equipment that have been filed with the department so far. My hon. friend will understand that the Department of Defence Production does not initiate orders for fighting equipment. These come from the services. The fact that the army is not using its own vehicles in any combat area of course limits the number of vehicles that the army requires for its present purposes. We are, however, tooling up to provide for substantial production of two types of