To-day, in Italy, German forces, despite stubborn resistance, are being compelled to yield ground. In Russia, great German armies face unparalleled destruction. In southeastern Europe, there is growing unrest among Germany's satellite states. In the occupied countries, the people await the signal for open resistance. An ever-increasing aerial bombardment is destroying the war potential of Germany. It is bringing the war home to the German people.

In the campaign against the U-boats, Canada's navy has had a prominent part. It has helped to maintain the bridge of ships across the Atlantic on which offensive action in Europe depends. During the year, all allied naval forces in the northwest Atlantic were placed under a Canadian commander-in-chief. Units of the Canadian army were among the first to land in Sicily, and again on the mainland of Italy. In hard battles won and hundreds of miles of difficult ground taken, our soldiers have had their full share in the accomplishments of this important campaign. They have made a record unexcelled by fighting men. On the opposite side of the world, Canadian forces joined with those of the United States in the occupation of Kiska in the Aleutians. In the attacks upon the U-boats, in the aerial assaults against Germany and occupied Europe, and over battlefronts around the globe, increasing numbers of Canadian airmen continued to take a telling part.

During the autumn, the Minister of National Defence visited Canada's overseas forces in Britain and in Italy. The transport of mail to the forces overseas has been greatly improved by the establishment of air mail services.

Provision of aid to our allies continued to be a major factor in Canada's war effort. War supplies are being sent to Russia, to China, to French forces in Africa, as well as to the United Kingdom and other nations of the commonwealth. They are supplied under the mutual aid legislation enacted during the present session, and are allocated by the mutual aid board in accordance with strategic need. A considerable portion of Canada's mutual aid has been transported across the seas in Canadian built ships, manned by Canadian crews.

For more than a year, Canada has been sending wheat to Greece every month to aid in relieving the starving population. To assist in relieving famine conditions in Bengal, the government has also taken steps to ship Canadian wheat to India.

During the year, production reached the highest level in Canada's history. About half of the total has been devoted to war purposes. Farmers and fishermen have splendidly maintained the production of foodstuffs. No less devoted service has been given by those engaged in lumbering, mining, transportation and all branches of manufacture and distribution. Despite inevitable shortages, essential manpower needs of the armed forces, of industry, and of agriculture have been filled by voluntary methods and by national selective service. This has been facilitated by the patriotism and the skill of the vast majority of workers, both men and women, and by the cooperation of the provinces, local authorities and voluntary organizations.

When parliament adjourned in July, a measure had been enacted to provide for the establishment of a national council to promote physical fitness. Unemployment insurance had been extended to additional groups of workers, and provision had been made for an increase in the amount of old age pensions. Provision was also made for the collection of income taxes on a current basis.

In the session just concluded, careful study was given by select committees of both houses, to the problem of full employment after the war, and, in particular, to the establishment in useful and remunerative employment of the men and women of our armed forces and in war industries. Careful study was similarly given by select committees on social security to the most practicable measures of social insurance, and the steps which would be required to ensure their inclusion in a national plan which itself would include the establishment of a nation-wide system of health insurance. My ministers have given close attention to the recommendations of the select committees and to other investigations in the fields of post-war reconstruction and social security.

During the course of the year, the price ceiling has been splendidly maintained. My ministers have reaffirmed their determination to do all in their power to prevent inflation and to safeguard a basic standard of living. To this end the wartime wages control order has been simplified and strengthened. It will continue to be administered by the national war labour board. Consultation is proceeding with the several provinces regarding the enactment of a comprehensive code of labour relations which will be administered by a wartime labour relations board, and which will include the principle of compulsory collective bargaining.

Recognition of Canada's growing stature in international affairs has found expression in the expansion of our diplomatic and consular services, and in the agreements to raise Canada's missions to the United States, the Soviet Union, China, Brazil and Belgium, as well as the legations of these countries in Canada, to the status of embassies. Direct relations have been established with the French committee of national liberation. A Canadian representative with the personal rank of ambassador now represents Canada at Algiers. The year has also witnessed increased representation of Canada at international conferences and on international boards concerned with wartime and post-war problems.

In the month of August, the government was host to the President of the United States and the Prime Minister of Great Britain and their advisers at a conference at Quebec. The Quebec conference, like the earlier conference at Washington and the later conferences at Cairo and Teheran, was one of the milestones in the strategic planning of the war. Following the conference at Quebec, Ottawa was honoured by a visit of the President. It was the first occasion on which a President of the United States has visited the Capital of Canada. Members of the House of Commons:

I thank you for the financial appropriations you have made for the prosecution of the war. Their magnitude is again without precedent.