

It should be noted that the outstanding feature of the army programme for 1942 is the proposed increase in the armoured strength of the army overseas. This development is in line with military experience in the present war and with the policy of the British army.

I have already pointed out that the Royal Canadian Air Force at the end of the year mustered well over 100,000 men, without counting civilians. The air training plan is in full operation; the responsibilities and duties for coastal defence particularly on the Pacific have greatly increased; and the complete establishment of twenty-eight Canadian operational squadrons overseas is to be fully achieved, not only with a full complement of flying personnel, but also with all necessary ground and maintenance crews.

Until such time as arrangements may have been concluded with the government of the United Kingdom to increase the number of Royal Canadian Air Force squadrons beyond twenty-eight, the Canadian pilots and other air crew sent overseas, in excess of the numbers needed to maintain these Canadian squadrons at full strength, will serve with the Royal Air Force where thousands of their comrades are already in active service.

Some increase in the home war establishment must be anticipated. Of this, for obvious reasons, I cannot be expected to give details.

Thousands of young Canadians are now engaged in active operations, and the augmentation of these numbers by air training will continue to be the heaviest work of the Royal Canadian Air Force in Canada. In the long run, as the Minister of National Defence for Air (Mr. Power) has repeatedly warned, no more acute man-power problem faces the government than that of assuring the supply of recruits for training as air crew, not in the immediate future but some months or a year hence. There is no question of reluctance to serve; on the contrary, young men are eager for the opportunity; but the numbers available with the necessary high qualifications are limited by our small population. Looking ahead, this question looms larger than the needs of the navy or the army, or of industry.

To the solution of this problem by means of the development of air cadets, pre-entry education, physical training and conditioning and other means, the government is directing intensive study.

The effectiveness of Canada's own armed forces depends upon the effort put forth on the farms, in the mines, in the forests, in the workshops and factories, on the railways and the merchant ships of Canada. Canadian production since the war began has been

essential as well to the effort of Britain and, indeed, of every nation fighting the axis powers. The dependence on Canadian productive efforts of what are now called the United Nations will be greater than ever in 1942; that is, this year.

I have already pointed out that the government has set no limits to war production. The only limits are those imposed by the growing scarcity of management, tools, raw materials, and skilled labour. Although the Minister of Munitions and Supply told parliament in November that practically all available establishments in Canada were already engaged in war production, he recently stated that he was "raising the sights again". More production can be achieved only by the conversion of existing establishments from unessential production, and by the transfer of labour. There is no slack left in our industrial economy. But I shall be surprised indeed if we do not find, when the year ends, that Canadian industry and Canadian labour have once again amazed us all.

The productive increases already achieved by Canadian agriculture have been little short of miraculous. Cheese production has increased by one-fifth, concentrated milk output by two-thirds, hog production has doubled, and egg production will soon be at an all-time high. For this third year of the war dairy farmers, hog producers and poultry men have been asked to produce the maximum quantities possible.

Canada has contracts with Great Britain for bacon, hams and other pork products amounting to 618,000,000 pounds. The forthcoming agreement for cheese is expected to be for at least 125,000,000 pounds. Then, 675,000 cases of evaporated milk will probably, again this year, be required by Britain. The present contract for eggs is for 30,000,000 dozen. Further large contracts for summer and fall delivery are anticipated. Canada has also undertaken to supply Britain with 4,500,000 pounds of honey; 510,000 barrels of fresh apples; 425,000 cases of processed apples; 300,000 cases of canned tomatoes; and other fruit and vegetable products in substantial quantities. Altogether, the value of the exports of the above commodities will be at least \$180,000,000. Exports of the same products in the year before the war were valued at about \$50,000,000.

If we do all in our power to help them meet their labour problems, we can, I know, count on Canadian farmers to do the rest. But the goal which is set for them for 1942 will demand their utmost effort.

In his speech at the Mansion House during my visit to Britain, and again in this chamber on December 31, the Prime Minister of Great