

**Hon. Mr. Haig:** I am glad somebody stopped me, because I was just coming to the Maritime provinces.

Honourable senators, during the 22 years that our party sat in opposition it always amused me that the party in power at that time looked upon the honourable senator from Rosetown (Hon. Mr. Aseltine) the honourable senator from Blaine Lake (Hon. Mr. Horner) and myself the senator from Winnipeg, as the last of the Mohicans. Now, after that long period in opposition we are on the Government side, and I would like to say to the member from Inkerman (Hon. Mr. Hugessen) that he is making the same mistake that others are making in judging what the Government has done before it is half way along the road. Let us study the situation: he has at least four long years ahead of him in which to do that. I do not know how long the term will be, but I do know that the 22 years was a long, long time.

I agree with the honourable senator from St. John's West that this bond conversion is a question of financial arrangement. Can anyone tell us why the stock market is so high just now and yet corporate earnings are lower? Nobody can answer that question. I know that I cannot answer it. The bond market also has made a recovery and 3 per cent bonds are now selling at par. Those are the things that we face. After my honourable friends opposite have been in opposition for 22 years perhaps they will not be so sure that their prophecies were correct. They think they will be back in power after four years. Well, we thought that we might have got back into power after maybe 10 years but we did not.

The bond conversion will be all fixed up and settled this fall. At that time we shall know what it is costing, and next winter we shall be able to discuss the cost and everything else that needs to be discussed concerning the matter. Then we shall have the actual figures and know exactly how many of the 25-year bonds were sold and how many of the 14-year bonds.

I think the honourable senator from Inkerman is wrong in his estimate of sales of the 25-year bonds. Personally, I think he has overestimated the proportion of long-term bonds that will be taken up. Financial men to whom I have spoken seem to think that more 14-year bonds will be sold than any others.

My honourable friend from Waterloo (Hon. Mr. Euler) brought up the question of the armed forces. Well, I will not discuss that with anybody. I admit I am not qualified to do so. I know that we have been spending on defence billions of dollars every year, and a lot of the money has been wasted because

new inventions put existing tools and equipment out of date very quickly. But what has happened in the past may happen again. In the last war a certain young man used to take over the wheel of a big flying machine and pull down a lighted runway at 11 o'clock at night, with his target in enemy territory. When asked by his dad, "What did you think about, son, while you were up there?", he said, "Well, I knew that you and mother were safe." His father asked him, "Why do you say that?" He replied, "Well, I knew that I would probably kill 10 or 12 dads and mothers before I got back that night and it made me think." It may happen again that young men will have similar duties to perform. If it does we will be ready. We will not permit a challenge of any kind to prevent us from being prepared for war, if it comes to that. That is the way I feel about it. I know that we are not qualified to judge on these defence matters. Our military men are as loyal as we are and they will see to it that our forces are provided with the best possible instruments. Surely the United States, Great Britain, France and our other national allies are as anxious as we are to be qualified to do the best that can be done. We want to hold up our end. Europe, of course, must depend on Great Britain and France and the United States to carry it through, but we can do a little, and what we are doing at the present time is an encouragement to other nations to do likewise.

**Hon. Cyrille Vaillancourt:** Honourable senators, I have a few remarks to make in connection with this \$6½ billion Victory bond conversion program. A person holding any of the various issues of Canada Savings bonds may at any time turn them in for their full face value. However, no individual may hold these bonds in an amount exceeding \$10,000. Formerly the limit was \$5,000. The savings bonds are sold only to individuals, no bank or trust company can buy them. This new conversion of \$6½ billion worth of bonds is being specially manipulated by the big organizations, and our organization is in that field.

**Hon. Mr. Aseltine:** How do you know that? Who told you?

**Hon. Mr. Vaillancourt:** Well, I am the manager of a federation of *caisse populaires*.

**Hon. Mr. Aseltine:** That statement is a guess on your part.

**Hon. Mr. Vaillancourt:** In my organization we help our Government in that regard because this has to do with the financing of the country.

**Hon. Mr. Aseltine:** Are you speaking of your own company?