awarded for the account of Canada contracts to the total amount of $302,000,000. By November 4, that amount had been increased to more than $443,000,000. Of the $443,000,000 worth of contracts, 87 per cent have been placed in Canada, 8 per cent in the United Kingdom, and 5 per cent in the United States. In addition to these amounts, Canadian industry had undertaken as of September 3, 1940, total contracts from the government of the United Kingdom in the amount of $134,000,000 for equipment and supplies, and commitments have been made by the United Kingdom for capital expenditure of an additional $81,000,000. The figure of $443,000,000 which I mentioned a few minutes ago represents contracts for the delivery of munitions, supplies and equipment. We have also made commitments for capital expenditures in the form of plant construction and extensions to the amount of $235,000,000. These capital commitments include: Fifteen explosive and chemical plants at a total cost of $70,000,000; twenty-five armament plants at a cost of $66,000,000; forty ammunition plants at a cost of $36,000,000; additions to automotive plants at a cost of $5,000,000. Further details and subdivisions of these expenditures will be given by the Minister of Munitions and Supply (Mr. Howe).

The production of aircraft in Canada in the three months from July to the end of September increased more than three hundred per cent over the preceding three months. This rapid acceleration of production is still continuing. In the production of munitions, some seventy companies are now at work on orders; some forty-four plants are now engaged in the manufacture of gauges. On the 10th October of this year the Minister of Munitions and Supply announced that designs had been approved of a new type of tank, and that preparations were under way to manufacture 3,000 of them in Canada.

I have tried in very brief form to fix at the given specified dates the increased momentum of our war production. The curve is rising with remarkable rapidity. In addition to providing for our own requirements the Department of Munitions and Supply is, as the house is aware, responsible for placing orders and securing supplies for the British government in Canada. Hon. members will be pleased to know that our efforts in this regard have received enthusiastic commendation. The Right Hon. Herbert Morrison, then Minister of Supply in the United Kingdom, gave an interview to the London Evening *Standard* on September 16 in which he said:

> If ever I was tempted to indulge in a mental slump—which I seldom am, being an incurable optimist—I immediately think of what Canada is doing and going to do. That is more than enough to knock the bottom out of any fit of blues.

In the same interview he added that Canada already had been equal to all the demands made upon her, and he referred specifically to the "colossal"—that is his own word—quantities Canada had supplied of timber, non-ferrous metals, steel and aluminium. He concluded with words which I believe every Canadian will echo. "Whatever the demands of the future may be," he said, "I am sure of one thing—Canada will be there."

War production depends upon keeping up ample supplies of raw materials, and upon the organization of industry for new production. It equally depends upon skilled labour. Industrial employment in Canada has already reached a level never attained before in our history. Labour has extended its hours, surrendered its holidays, and in its determination to increase and advance production has taught the young and the inexperienced the intricacies of complicated trades. It will be the duty of the people of Canada, realizing these things now, to remember them in the hour of victory.

I shall conclude my account of Canada's war effort by a very brief summary of our war finance. I need not remind the house of the principles on which the government has decided that our war effort should, as far as possible, be financed. We have relied upon taxation and upon domestic borrowing. Even if we desired to use them, foreign markets are not at present available.

In the first twelve months of the war our expenditure was $290,000,000, or about $800,000 a day. The collapse of the resistance to the nazi offensive on the continent of Europe and the elimination thereby of many of the protective factors of time and space, were followed by an immediate increase in our financial and material responsibility. The result was a rapid and progressive rise in our war-time expenditures. In June and July we were spending about one and a third million dollars a day; in August, nearly two million dollars a day. In the month of September we spent $66,000,000; in October our war expenditures were over $81,000,000. The October expenditures were at the rate of almost a billion dollars a year.

Our revenues fortunately are at the highest level in Canada's history. Our second war loan of $300,000,000 was oversubscribed. Its subscription was broadly based. It was not unduly concentrated in the hands of banks and financial institutions, but many thousands of small investors rallied to its support. More than one million war savings certificates have