

Supply—Defence Production

care of the situation that they are supposed to take care of, weekly papers and papers with small circulation.

Mr. Knowles: Do jobbers handle newsprint that comes in rolls?

Mr. Howe: Oh, I think so. I cannot say definitely. I am not a technician in the newsprint business.

Mr. Knowles: I do not think so. As to newsprint that comes in rolls, there are small papers—not the smallest in the country—that require rolls to produce their publications, and it is that type to which I refer.

Mr. Howe: I cannot say. A committee representing the weekly newspapers association came to see me a while ago saying that they would like more newsprint. I asked them who their supplier was, and they mentioned one or two jobbers. I do not know about newsprint in rolls, but I know that the industry is very anxious to take care of legitimate requirements of Canadian newspapers. I think they have gone to quite unusual lengths to do so considering the pressure that is on them from other sources to supply more newsprint. If there are hardship cases, and if they are brought to my attention, I will be glad to have them examined by the proper authorities.

Mr. Knowles: I thank the minister for that assurance.

Mr. Hatfield: Could the minister tell us what the increase is for other paper products in Canada besides newsprint?

Mr. Howe: I do not know.

Mr. Hatfield: Paper boxes and bags.

Mr. Howe: I have not that information. About 1,250,000 cords of pulpwood, which would be sufficient to produce over a million tons of newsprint, went into products other than newsprint, that is pulps, wallboard, and products of that kind.

Mr. Murray (Cariboo): Would the minister consider a priority with respect to steel for a paper manufacturing plant contemplating operating at Prince George, B.C.?

Mr. Howe: There are no priorities for any industrial use except direct defence use or defence supporting. There are three or four pulp mills being built throughout the country, and they are getting on quite all right without any priorities. I dare say if the people at Prince George wish to build a pulp mill they can get on all right too. There are no official priorities for that class of work.

Mr. Green: I understand that defence contracts from countries other than Canada come

[Mr. Howe.]

under the jurisdiction of the Department of Defence Production. Could the minister tell us the situation at the present time with respect to defence contracts from countries other than Canada, and particularly from the United States? I believe that these contracts have not been up to expectations. Perhaps the minister could give us a statement with regard to that.

Mr. Howe: I could give the figures but they are rather misleading. The reason why our purchases from the United States have been high is that we need finished munitions, and they have finished munitions. The reason why their purchases in this country have not been as great is that, while they are quite willing to buy here, we have not the finished munitions to sell them. We have taken substantial orders, and they are coming in at an accelerating pace. Over a period I think there will be a reasonable balance. There is every will in the world to carry out the spirit of the agreement entered into some months ago. However, I think it would be unwise to give the figures on the orders that we have obtained from outside the country, or purchases from outside the country.

Mr. Green: The minister can give no figures either for United States contracts or from other countries?

Mr. Howe: There are practically no orders for munitions from other countries that involve payment. Of course other countries are buying raw materials and paying for them, but any munitions that are going to Europe are going as a part of our contribution to NATO. The cash purchases come from the United States. They amount to a very respectable sum, but I would not care to give a figure at the moment. I think it will be fairer to the United States to wait a few months until the impact of the negotiations now under way is fully realized.

Mr. Drew: With relation to that particular point, I wonder if the minister could give us some indication as to the extent to which there is agreement on certain types of equipment. Let me take as a specific example the walkie-talkie used for military service. I understand that orders have been placed in Canada for substantial numbers of these sets as the result of an accepted design which is regarded as a very favourable design for this type of military equipment, and that the order is on a scale that contemplates the disposal of a large quantity thereof in the United States. Can the minister say whether they have actually agreed to take this equipment from us or whether it is simply in the speculative stage at the moment?