

Most of the food Canada exports is sent to Britain, but Canadian implements and munitions of war have found their way to all our fighting allies and have been used on almost every front. More than two-thirds of our total munitions output is supplied to other of the united nations. While our munitions programme has now reached full capacity, within the limits of available man-power and materials, we may expect the output for 1943 to exceed substantially that of 1942. In volume and quantity, it already compares favourably with that of any allied country. And, speaking about food supplies I would ask my hon. friend the leader of the opposition to recall a remark he made, to the effect that it was a reflection upon the government of this country, and one of which the farmers in particular should take full account, that we find to-day that butter and beef are being rationed in Canada. Why are butter and beef rationed in Canada?

Mr. ILSLEY: Beef is not yet rationed.

Mr. MACKENZIE KING: I thought my hon. friend said beef.

Mr. ILSLEY: He said beef might be.

Mr. GRAYDON: I said there was a hint that there might be.

Mr. MACKENZIE KING: Then I beg my hon. friend's pardon. He did not say beef was rationed, though he thought there was a hint that it might be. Well, why is butter rationed at this time? The answer is—and I may say that if my hon. friend were helping the war effort of the country to the degree to which he professes he desires to help, he would tell the farmers of this country it is because Canada is providing the enormous supplies of food which she is sending to the people of Great Britain, from the supplies of foodstuffs of this country. We have made an agreement with Great Britain to supply her with foodstuffs. She has given us this opportunity in service above that of any other country. We had gained for the farmers that sure market, and I am certain there is no farmer in this country who, if he were told that it was to serve two purposes, namely to help sustain the armies and the people in Great Britain and give employment to those on his farm, would not very gladly have that extra supply go to Great Britain, even if we have to ration it here.

Now, Mr. Speaker, may I say a word about the financial measures connected with the war effort.

Because of the success achieved in preventing inflation and maintaining the purchasing power

of the Canadian dollar, the real extent of Canada's war effort can be fairly accurately measured in financial terms.

In the calendar year, 1941, direct war expenditures amounted to more than \$1,100,000,000, and an additional \$900,000,000 was necessary to provide the Canadian dollars to meet the United Kingdom deficit. Canada's total war costs for 1941 therefore exceeded \$2,000,000,000. In the calendar year 1942 the corresponding total was more than \$3,600,000,000.

The splendid way in which the financial burden of war is being borne by the Canadian people is evidenced by the fact that in addition to over \$2,000,000,000 collected in 1942 in taxes and compulsory savings, cash subscriptions for victory bonds and war savings certificates exceeded \$1,900,000,000.

There is my reply to my hon. friend's challenge as to how Canada fights; how Canada is carrying on its war effort.

And referring to Mr. Churchill, I do not think he would mind my saying to the house what he said to me on different occasions when I have had conversation with him. He has said, "How does Canada manage to do what she does? It is beyond me to understand how she has been able to do what she has done and is doing in the war." That is Mr. Churchill's estimate of Canada's war effort. I add that, with no fear of contradiction whatsoever.

But now, lest it might be thought that what I am saying does not represent exactly the position of our armed forces and more particularly our armed forces overseas, I should like to read the following communication issued by General McNaughton, the commander of our army, as a greeting to his troops and to the people of Canada at the Christmas season and the beginning of the New Year. For some strange reason—and I cannot account for it—this very important message seems to have received very little publicity in our country, either over the radio or in the press.

I believe I heard only a paragraph of it over the radio one evening, but I searched in vain through the press of the country to find any reproduction of the statement. I am not reflecting in any way. There are lots of things which go over the air and appear in the press which I may miss. However, I do think that this important statement should have its place in *Hansard*, and for that reason I place on *Hansard* this statement of the commander of the Canadian army overseas which will indicate whether or not in his opinion there has been any lack of energy or efficiency or sufficiency so far as Canada's war