

Mr. KNOWLES: Have there been any complaints to the government with regard to newsprint, and have any inquiries been made as to possible infractions of the Combines Investigation Act in that field? Has the government asked the combines investigation branch to look into the matter and, if so, has a report been made?

Mr. ILSLEY: I received a long letter—

Mr. KNOWLES: Would that be from Mr. Percy Bengough, president of the Trades and Labour Congress of Canada?

Mr. ILSLEY: I think that is the one, and I think it is the only one if I remember correctly, although I may have received telegrams from some organizations, which I took to be labour organizations, suggesting that there was some combine in the manufacture of newsprint which was contrary to the Combines Investigation Act. I referred the matter to the commissioner and I received a confidential report from him. No proceedings have been taken by the minister.

Mr. KNOWLES: Can the minister say where we go from here? This matter has been raised in the house on previous occasions and it seems to be a serious one. I noticed my hon. friend the hon. member for Vancouver South a few moments ago reading a copy of a paper from his city, the Vancouver *Sun*, which, I understand, has considerable difficulty in getting sufficient quantities of newsprint to meet its demands. I am also led to believe that a newspaper in Winnipeg which is seeking to get organized and get started has had considerable difficulty in getting any intimation that it can secure newsprint, although it is one of the products that is in pretty high production in Canada at the present time. My own inquiries resulted in my getting hold of certain documents put out by the newsprint people themselves, which indicated that, following the ending of control by the wartime prices and trade board, the newsprint people instituted their own control of the supply of that product. That control, in turn, seems to have these strange effects upon Canadian newspapers seeking newsprint. I know that involved in it is the whole question of export. I have not the figure in my mind at the moment; but it appears to me that a pretty high percentage of our newsprint is exported to the United States. In fact, occasionally you can pick up the comics that are inserted in our Canadian newspapers and find that they have been printed in the United States on newsprint made in Canada. Yet the situation to which I have referred obtains in this country. I know of the letter

[Mr. Ilesley.]

which Mr. Bengough wrote in connection with this matter and in which he sets out these facts and offers suggestions. I feel that the matter should be pursued by the government with as much expedition as possible.

Mr. HARTT: If the hon. member can prove that the newspaper industry is a trust or monopoly, why does he not register a complaint? He has a right as a citizen to do so.

An hon. MEMBER: He would not get a decision.

Mr. HARTT: The inference is that newsprint is a monopoly. Can the hon. member vouch for that statement? If so, why does he not complain to the courts?

Mr. KNOWLES: The hon. member has corrected himself. He said previously the newspaper business and now he says newsprint. There is quite a difference. Some of the facts to which I have referred are known, namely, the difficulty that certain newspapers have in getting newsprint; and the document to which I have referred is public property, namely, the claim by the newsprint people that they have had to institute their own control to take the place of the control formerly exercised by the wartime prices and trade board. When the newsprint people admit that they have their own control, and the result of that control is that papers like the Vancouver *Sun*, which is no C.C.F. paper by any means, cannot get sufficient quantities of paper to meet the demands from its subscribers and also to meet the demand for advertising space, it does suggest that there is something which should be looked into. I have been careful not to make any allegation or charge. I am stating what appears to some people to be pretty close to the line. The combines investigation branch should look into the matter and we should know something about it.

Item agreed to.

Penitentiaries branch—

105. Branch administration, \$153,141.

Mr. DIFENBAKER: The lack of permanent employees among penitentiary employees has been up before. At one time the employees came within the provisions of the Civil Service Act and could be made permanent, but about 1932 a change was made in the law and all the penitentiary employees were placed in the position of being temporary employees. Now that changes have been made in the administration and General Gibson has investigated the efficiency of the operation of the penitentiaries and knows something of the