

Hon. Mr. McKeen: This bill, as I have said, seeks much less power than the government asked at the outbreak of the last war, and is considerably less than the powers asked for by our neighbour to the south in its defence program. I would point out that the defence program in the United States has considerable effect on industrial life in Canada, because that country purchases from us, as we purchase from it.

The government is confident that in so far as essential materials for construction purposes are concerned, there should be no stoppage of the flow of these supplies. I should perhaps point out that if a plant in Canada requires machinery or equipment from the United States within a period of fifteen months to two years, it may well find itself faced with priority controls in that country. Our government cannot interfere with the policy of the United States. If, on the other hand, if an order for the machinery and equipment were placed in Canada, I think it most unlikely that deliveries would be interfered with.

The honourable leader of the house pointed out yesterday that we in Canada were paying a price for goods equivalent to the United States dollar for exports out of Canada. I think that is generally so. For instance, on the Pacific coast we pay no higher price for lumber than do our American friends. The situation in eastern Canada may be different, but the price level in the United States is bound to affect that in Canada.

In the administration of this Act the government will have to see to it that Canada's production is maintained. When a similar Act was passed in 1939, no one knew who was going to administer it or how it was going to be administered. Today the powers are being asked for by a department, headed by a minister who had a broad experience during the Second World War. We know what action was taken. We know that his powers were not abused, but were used for the benefit of Canada, and that production was tremendously increased. Except in times of stress, we in the democracies do not like to pass measures to delegate our authority to the government. But if the government wanted to declare that war is apprehended they could use the War Measures Act right now. They prefer to have the country's business carried on in the usual way, and to superimpose with as little disturbance as possible the war production program. That is their reason for asking that this bill be passed. I hope the house will see fit to pass it.

Hon. Mr. Roebuck: Has the honourable gentleman given any consideration to the constitutionality of the measure?

Hon. Mr. McKeen: Not being a lawyer I am a little at a disadvantage on that question. I am afraid I shall have to leave it to the Department of Justice or to any lawyers in the Senate who would like to argue it. I am not the proper person to do so.

Hon. John T. Haig: I shall not talk very long about this bill. We have previously discussed much the same issue. This bill does not go as far as the War Measures Act.

Hon. Mr. Roebuck: The War Measures Act is not in effect, though not repealed.

Hon. Mr. Haig: I know that, but it can be brought into effect; and the object of this bill is to avoid making the declaration which would be necessary to bring the War Measures Act into operation.

Hon. Mr. Hayden: That is right.

Hon. Mr. Haig: The effect of the War Measures Act would be to put us on a war basis at once. I am not persuaded that the government want to do that. I believe they do not want to do it.

Other problems are looming large on the horizon of the world. To realize their gravity one need only read the morning papers. A man of the standing of Louis Johnson, Secretary of Defence, is thrown out of the United States Cabinet and another man is put in, really as War Minister. One only has to read the speeches in another parliament across the water to know what is on the minds of the ministers and members there.

The house permitted the honourable senator from Vancouver (Hon. Mr. McKeen), the mover of the bill, to discuss matters of trade, so I may be allowed to say a few words on the same subject. For the last three or four years our trade with nations of the sterling area has been supported almost entirely with the money which we lent to them or with advances made by the United States under what the public at large, including myself, knows as the Marshall plan; I do not use letters to designate it, because I am never sure of the combination. At present Canada faces a new difficulty in connection with overseas trade. Two weeks ago my honourable friend from Rosetown (Hon. Mr. Aseltine) informed me of what had happened to the Western Canadian crop. Yesterday the Minister of Trade and Commerce confirmed the accuracy of what the senator from Rosetown had told me a fortnight ago, that the damage to our western crops through frost amounted to 50 per cent. Anybody who understands the grain trade knows that the present spreads between grades indicate a realization by the government that grades four, five, six and