

I think everyone in this country was in entire agreement with the announcement by the Prime Minister of the expenditure of \$5½ billion for Canada's defence program during the next three years. It is interesting to note what other countries have had to say about Canada's part in the general defence program. In this regard I wish to read a quotation from the New York *Herald Tribune*, as follows.

The New York *Herald Tribune* today hails Canada's defence budget as a "promise of Canada's destiny as one of the world's major powers."

The *Herald Tribune* says editorially that Canada's role in the free world has never been questioned, "yet even the most optimistic champion of this young nation must be impressed by the defence effort" outlined Monday in Parliament.

—There has been some criticism of a recent speech made by the former Minister of Air in the other house, in which he proposed that a committee be set up to review defence expenditures. Whilst I realize the weakness of the setting up of committees, and would not approve of a committee having the right to challenge higher officials on government policy in the defence program, I believe that there should be set up a civilian committee, composed perhaps, of senators and members of the House of Commons, but apart from the government itself and defence personnel. After all, the expenditure of about \$2 billion a year is of some importance, and there should be some check made on it.

On the question of price controls, we all know the difficulties which the government encountered in setting up and enforcing price controls during world war II. Further, we appreciate that what can be done in wartime cannot always be so easily accomplished in times of peace. However, one can scarcely say that we are now in times of peace, for, although we are not actually at war, we are getting ready for what might be a third world war. I think that the Canadian people realize this, and for the most part are in favour of controls.

To illustrate the type of demands that are being made today, there recently appeared in the Vancouver *Sun* an article to the effect that the plumbers in the city of Vancouver are asking that their present rate of pay of \$1.75 per hour be increased to \$2.75 per hour; bricklayers are demanding an additional increase up to \$1.88, and other workers want proportionate increases. Without going into the merits or demerits of their demands, I use this illustration to point up the fact that we are in a period of high prices and high costs. The plumbers of Vancouver, for instance, put up an argument for increases which is somewhat hard to meet. They point out to the employers in British Colum-

bia that plumbers in Seattle receive the wage rate for which they are asking, and that the cost of food and goods in that part of the United States is in many instances lower than in Canada.

I recently took with me across the border a list of food items and other articles of every-day use, and on comparing the cost in Canada of those items with the cost of the same goods in the United States it was apparent that prices generally were much higher in Canada. I think it might be well to look into the fact that in the United States there seems to be a great deal of competition in the price of such articles as matches and other household goods, but little, if any, in Canada.

Hon. Mr. Aseltine: What about the cost of meat?

Hon. Mr. Reid: Well, if we want to go to the Argentine for it, we can buy beef at fifteen cents a pound. But it seems that even Great Britain does not choose to go there for her needs. And what would the Canadian farmers say if we proposed to import Argentine beef?

On the question of defence contracts the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor) drew the attention of the house to the fact that most of the contracts for defence needs were being given to industrial firms in the provinces of Ontario and Quebec. I strongly support him in the stand he took, for it is plain to see that some of the things that happened in 1940 are happening again today. I well remember being asked by the Vancouver Board of Trade to wait over in Ottawa for a period to see if that province could get a fair share of defence contracts. I discovered that every room in the Chateau Laurier was filled with businessmen carrying brief-cases and interviewing the government on behalf of the industrial companies of Ontario and Quebec. Many of them were saying: "Why, British Columbia! All it has are tall trees and fish." I hasten to point out, honourable senators, that in the manufacturing of ships and munitions of war, British Columbia industry turned out ships and equipment that were better and superior to what was turned out in any other part of Canada; and when the government was in a hurry for some special articles the industrial firms of British Columbia were called upon to perform those services.

Let me go a step further. I realize that the government cannot tell a firm to go and build a plant in Halifax, on the prairies or out in British Columbia; yet mention is made every day about the serious threat of