

I want it firmly understood that I am not criticizing the people who are in the employ of the government. Possibly some of the departments are understaffed. I know something of the conditions of work in the income tax branch in Toronto. They are packed in there worse than any Norwegian sardine. There is overcrowding which does not lend itself to efficiency. You cannot bring more people there and pack them in and expect to have anything done. They need decent conditions under which to work. I do not know the conditions under which they work, but I wish to see them decently housed. I do know something about the income tax department in Toronto but not anywhere else. These people have responsible positions and they deserve to be decently accommodated. It is an inescapable fact that if we needed 150,000 people in March, 1945, when the war was on, we do not need as many people in civilian jobs to-day.

This administration have become war-minded; they have been thinking in hundreds of millions and billions of dollars and they are now incapable of grasping the need for economy in an endeavour to give the taxpayers some relief. After all, the taxpayers need some consideration. It is beyond my comprehension why, now that the war is over, a reduction of staff does not take place. A great number of these employees, good employees, could be returned to productive employment.

On motion of Mr. Sinnott the debate was adjourned.

On motion of Mr. Mackenzie the house adjourned at 10.40 p.m.

### Monday, July 15, 1946

The house met at three o'clock.

#### PRIVILEGE

MR. FLEMING—REFERENCE TO REPORT IN TORONTO "DAILY STAR", JULY 13

Mr. DONALD M. FLEMING (Eglinton): Mr. Speaker, I rise to a question of privilege. In the Toronto *Daily Star*, the issue of Saturday, July 13, on page 11, in a report of the budget debate of July 12, there appears this paragraph, affecting myself.

Donald Fleming (Prog. Cons., Toronto-Eglinton) declared present income tax collection methods "educate our people to become professional scoundrels and rascals." He demanded exemptions for single persons be raised to \$1,500 and for married persons to \$3,000,—

[Mr. D. G. Ross.]

I interject there, Mr. Speaker, that I never said any such thing. The remainder of the sentence is:

—and called the tax reductions in the budget "phantom" cuts.

Mr. Speaker, I did call the reductions in the budget "phantom cuts", but that is the only accuracy in the entire statement which I have read. The criticism that I offered of tax collection methods was on a quite different point; and I should be the last person in the world to say that Canadians were, even in spite of these methods, being educated to become professional scoundrels and rascals.

#### OFFICIAL SECRETS ACT

##### TABLING OF FINAL REPORT OF COMMISSION OF INQUIRY

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I desire to lay on the table copies of the final report of the royal commission appointed under order in council P.C. 411 on February 5 to "investigate the facts relating to and the circumstances surrounding the communication by public officials and other persons in positions of trust of secret and confidential information to the agents of a foreign power."

There have thus far been three interim reports by the commission, all of which have been tabled in the house. These are as follow: first interim report, March 2, 1946, tabled March 14, 1946; second interim report, March 14, 1946, tabled March 15, 1946; third interim report, March 29, 1946, tabled March 29, 1946.

The final report, which I am now tabling, as hon. members will observe is dated June 27. I think I should make it clear that the physical work of printing the first copy of the report for presentation was not completed until July 12. It has been received only to-day by the governor in council to whom it is addressed.

I have gone through the report rather hurriedly and have noted some of the outstanding features. I have thought that the house would wish to have something in the nature of a resumé, but the report is a very lengthy one, with its quotations, appendices and the like, so what I am giving is not intended to be in any way all-embracing, but simply essential features.

The circumstances in which it was decided to appoint the royal commission of inquiry are well known. It is not necessary to review them to-day. The investigation has been completed; it confirms the seriousness of the situation which the government asked the commission to investigate.